

LAS VIRGENES TRIUNFO JOINT POWERS AUTHORITY
Triunfo Water and Sanitation District 370 N. Westlake Blvd. STE 100. Westlake Village,
CA 91362

Pursuant to Government Code Section 54953 (b) Director Andy Coradeschi will
participating via teleconference from 555 Norbie Rd. Sedona, AZ 86336

AGENDA
JOINT POWERS AUTHORITY/PUBLIC FINANCING AUTHORITY
JOINT SPECIAL MEETING

MONDAY, APRIL 6, 2026 – 5:00 PM

PUBLIC PARTICIPATION: The public may join this meeting virtually or attend in person in the Board Room. Teleconference participants will be muted until recognized at the appropriate time by the Chair. To join via teleconference, please use the following Webinar ID:

Webinar ID: <https://lvmwd.zoomgov.com/j/1614298927>

To join by telephone, please dial (669) 900-6833 or (346) 248-7799 and enter Webinar ID:
161 429 8927

For members of the public wishing to address the Board during Public Comment or during a specific agenda item, please press "Raise Hand" if you are joining via computer; or press *9 if you are joining via phone; or inform the Executive Assistant/Clerk of the Board if attending in person.

Members of the public can also access and request to speak at meetings live on-line, with audio and limited video, at www.lvmwd.com/livestream. To ensure distribution of the agenda, please submit comments 24 hours prior to the day of the meeting. Those comments, as well as any comments received during the meeting, will be distributed to the members of the Board of Directors and will be made part of the official public record of the meeting. Contact Nancy Lawrence, Executive Assistance/Clerk of the Board, at (818) 251-2123 or nlawrence@lvmwd.gov with any questions.

ACCESSIBILITY: If requested, the agenda and backup materials will be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in the implementation thereof. Any person who requires a disability-related modification or accommodation, in order to attend or participate in a meeting, including auxiliary aids or services, may request such reasonable modification or accommodation by contacting the Executive Assistant/Clerk of the Board by telephone at (818) 251-2123 or via email to nlawrence@lvmwd.gov at least 48 hours prior to the meeting.

Members of the public wishing to address the Board of Directors are advised that a statement of Public Comment Protocols is available from the Clerk of the Board. Prior to speaking, each speaker is asked to review these protocols, complete a speakers' card, and hand it to the Clerk of the Board. Speakers will be recognized in the order the cards are received. A live webcast of the meeting will be available at LVMWD.com. Also, a web-based version of the speaker card is available for those who would like to submit written comments electronically or request to make public comment by telephone during the meeting.

PLEDGE OF ALLEGIANCE

1. **CALL TO ORDER AND ROLL CALL**
2. **APPROVAL OF AGENDA**
3. **PUBLIC COMMENTS**

Members of the public may now address the Board of Directors ON MATTERS NOT APPEARING ON THE AGENDA, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2.

4. **CONSENT CALENDAR**

Matters listed under the Consent Calendar are considered to be routine, non-controversial and normally approved with one motion. If discussion is requested by a member of the Board on any Consent Calendar item, or if a member of the public wishes to comment on any item, that item will be removed from the Consent Calendar for separate action.

- 4.A **Minutes: Special Meeting of December 8, 2025, and Regular Meeting of March 2, 2026** (Pg. 6)
Approve.
- 4.B **Statement of Revenues, Expenses, and Changes in Net Position: February 2026** (Pg. 17)
Receive and file the Statement of Revenues, Expenses and Changes in Net Position for the period ending on February 28, 2026.
- 4.C **Centrate Tank Inspection and Rehabilitation Assessment: Contract Amendment** (Pg. 20)
Authorize the Administering Agent/General Manager to approve a contract amendment with Alisto, Inc., in the amount of \$26,745, to provide additional cathodic protection services for Centrate Tank No. 1 at the Rancho Las Virgenes Composting Facility.
- 4.D **Recycled Water Pump Station West Upgrade and Rehabilitation Project: Contract Amendment** (Pg. 23)

Authorize the Administering Agent/General Manager to execute an amendment to the professional services agreement with Lee + Ro, Inc., in the amount of \$73,357.00, to provide additional design services for the Recycled Water Pump Station West Upgrade and Rehabilitation Project.

5. **ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS**

5.A **State and Federal Legislative Update (Pg. 29)**

5.B **Pure Water Project Las Virgenes-Triunfo: Update (Pg. 87)**

6. **ACTION ITEMS**

(Pg. 91)

6.A **Pure Water Project Las Virgenes-Triunfo: Authorization of Construction Loan and Grant Agreement with the State Water Resources Control Board**

Pass, approve and adopt proposed Resolution No. 39, authorizing the execution and delivery of a Loan and Grant Agreement with the State Water Resources Control Board, ratifying the prior approval of the Payment Agreements and authorizing their execution.

RESOLUTION NO. 39

A RESOLUTION OF LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A CONSTRUCTION LOAN AND GRANT AGREEMENT AMONG LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY, LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY AND CALIFORNIA STATE WATER RESOURCES CONTROL BOARD, AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH

(Reference is hereby made to Resolution No. 39 on file in the JPA's Resolution Book, and by this reference the same is incorporated herein.)

(Pg. 171)

6.B **Pure Water Project Las Virgenes-Triunfo: Authorization of Construction Loan and Grant Agreement with State Water Resources Control Board**

Pass, approve and adopt proposed Resolution No. 6, authorizing the execution and delivery of a Loan and Grant Agreement with the State Water Resources Control Board, ratifying the prior approval of the Payment Agreements and authorizing their execution.

RESOLUTION NO. 6

A RESOLUTION OF LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A CONSTRUCTION LOAN AND GRANT AGREEMENT AMONG LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY, LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY AND CALIFORNIA STATE WATER RESOURCES CONTROL BOARD AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH

(Reference is hereby made to Resolution No. 6 on file in the Authority's Resolution

Book, and by this reference the same is incorporated herein.)

(Pg. 251)

6.C **Pure Water Project Las Virgenes-Triunfo: Authorization of Credit Agreement, Installment Purchase Agreement and Fee Agreement**

Pass, approve and adopt proposed Resolution No. 40, authorizing the execution and delivery of a Credit Agreement with a principal component in an amount not to exceed \$155,000,000; authorizing the execution and delivery of the Credit Agreement, Fee Agreement and Installment Purchase Agreement; and ratifying the prior approval of the Payment Agreements and authorizing their execution.

RESOLUTION NO. 40

A RESOLUTION OF LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A CREDIT AGREEMENT, INSTALLMENT PURCHASE AGREEMENT AND FEE AGREEMENT, AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH

(Reference is hereby made to Resolution No. 40 on file in the JPA's Resolution Book, and by this reference the same is incorporated herein.)

(Pg. 391)

6.D **Pure Water Project Las Virgenes-Triunfo: Authorization of Credit Agreement, Installment Purchase Agreement and Fee Agreement**

Pass, approve and adopt proposed Resolution No. 7, authorizing the execution and delivery of a Credit Agreement with a principal component in an amount not to exceed \$155,000,000; authorizing the execution and delivery of the Credit Agreement, Note, Fee Agreement and Installment Purchase Agreement; and ratifying the prior approval of the Payment Agreements and authorizing their execution.

RESOLUTION NO. 7

A RESOLUTION OF LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A CREDIT AGREEMENT, NOTE, INSTALLMENT PURCHASE AGREEMENT AND FEE AGREEMENT, AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH

(Reference is hereby made to Resolution No. 7 on file in the Authority's Resolution Book, and by this reference the same is incorporated herein.)

6.E **Tapia Water Reclamation Facility Painting and Coatings Program: Award** (Pg. 531)

Authorize the Administering Agent/General Manager to execute a one-year agreement with U.S. National Corp, in a not to exceed amount of \$150,000, with four one-year renewal options to provide on-going painting and coating services at the Tapia Water Reclamation Facility.

7. **BOARD COMMENTS**

8. **ADMINISTERING AGENT/GENERAL MANAGER REPORT**

9. **FUTURE AGENDA ITEMS**

10. **INFORMATION ITEMS**

(Pg. 534)

10.A **Tapia Water Reclamation Facility 003 Outfall Rehabilitation Project: Contract Amendment**

11. **PUBLIC COMMENTS**

Members of the public may now address the Board of Directors ON MATTERS NOT APPEARING ON THE AGENDA, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2.

12. **ADJOURNMENT**

Pursuant to Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and applicable federal rules and regulations, requests for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the Executive Assistant/Clerk of the Board in advance of the meeting to ensure availability of the requested service or accommodation. Notices, agendas, and public documents related to the Board meetings can be made available in appropriate alternative format upon request.

**LAS VIRGENES – TRIUNFO
JOINT POWERS AUTHORITY
MINUTES
REGULAR MEETING**

5:00 PM

March 2, 2026

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by David Reidman

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at **5:00 p.m.** by Chair Coradeschi in the Glen D. Peterson Board Room at Las Virgenes Municipal Water District headquarters at 4232 Las Virgenes Road, Calabasas, California, 91302. Nancy Lawrence, Clerk of the Board, conducted the roll call.

Present: Directors Burns, Coradeschi, Jarecky, Levine, Lewitt, Nye, Shapiro, Tjulander, and Wall

Director Lewitt exited the meeting at 6:13pm.

Absent: Director Polan

2. APPROVAL OF AGENDA

Director Jarecky moved to approve the agenda with an additional page. Motion seconded by Director Wall. A cover page for Item 5A state report was added, distributed, and available to Directors and members of the public.

Motion carried 9-0 by the following vote:

AYES: Directors Burns, Coradeschi, Jarecky, Levine, Lewitt, Nye, Shapiro, Tjulander, and Wall

NOES: None

ABSTAIN: None

ABSENT: Director Polan

3. PUBLIC COMMENTS

None

4. CONSENT CALENDAR

A Minutes January 5th, 2025

Approve.

Director Jarecky moved to approve the Consent Calendar. Motion seconded by Director Lewitt. Motion carried 9-0 by the following vote:

AYES: Directors Burns, Coradeschi, Jarecky, Levine, Lewitt, Nye, Shapiro, Tjulander, and Wall

NOES: None

ABSTAIN: None

ABSENT: Director Polan

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A State and Federal Legislative Update

Ana Schwab, federal lobbyist for the JPA with Best Best & Krieger LLP (BBK), reported that the House and Senate are accepting applications for Congressionally Directed Spending. BBK will submit applications for funding related to the Pure Water Project brine line.

Syrus Devers, state lobbyist for the JPA with Syrus Devers Advocacy LLC, reported that SB872 Subsidence Funding -State Water Project /Delta Levees bill is set for hearing on March 18th, 2026. Wildfire Legislation SB1417 would require an impact report following a disaster. Failure to complete the report would result in ineligibility for state funding. ACWA is recommending opposing the bill or oppose unless amended.

B Pure Water Project Las Virgenes-Triunfo: Update

Oliver Slosser, Engineering Program Manager, reported that the contract with Walsh Construction was finalized, executed, and notice to proceed has been executed. On Feb 11th and 19th study sessions were held with Westlake Village City Council regarding construction impacts on the Reverse Osmosis Pipeline. April 2026 construction start date is pending final permits with regional board and us army corps of engineers.

C Advanced Water Purification Facility Groundbreaking Ceremony Overview

Adrienne Burns, Director of External Affairs, provided an update on the planning and approach to the AWPf groundbreaking ceremony. Strategic goals, community involvement, site overview and groundbreaking ceremony vision were presented.

6. **ACTION ITEMS**

A Rules of Order for JPA Board Meetings: Adoption

Pass, approve, and adopt proposed resolution 37, establishing rules of order for the JPA board meetings.

RESOLUTION NO. 37

A RESOLUTION OF THE BOARD OF DIRECTOES OF THE LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY ESTABLISHING RULES OF ORDER FOR BOARD MEETINGS

(Reference is hereby made to Resolution No. 37 on file in the JPA's Resolution Book and by this reference the same is incorporated herein.)

David Pedersen, Administering Agent/General Manager, presented the report on Resolution No. 37.

Director Wall moved to approve item 6A. Motion seconded by Director Shapiro. Motion carried 9-0 by the following vote:

AYES: Directors Burns, Coradeschi, Jarecky, Levine, Lewitt, Nye, Shapiro, Tjulander, and Wall

NOES: None

ABSTAIN: None

ABSENT: Director Polan

B 5K Race hosting Opportunity at Rancho Las Virgenes Composting Facility.

Authorize Administering Agent/general Manager to execute an in-kind sponsorship agreement with Fleet Feet Agoura Hills and Future Track Running Pack to host the "Run for the Rancho" racing series at the Rancho Las Virgenes Composting Facility in June and July 2026.

Adrienne Burns, Director of External Affairs, presented the 5K Race Hosting Opportunity with Fleet Feet Agoura Hills and Future Track Running Pack. The opportunity is an in-kind partnership which will provide promotional opportunities for the JPA. Race dates are June 18th and 25th, July 2nd and 9th.

Director Burns moved to approve Item 6B. Motion seconded by Director Nye.

Motion carried 9-0 by the following vote:

AYES: Directors Burns, Coradeschi, Jarecky, Levine, Lewitt, Nye, Shapiro, Tjulander, and Wall
NOES: None
ABSTAIN: None
ABSENT: Director Polan

C Pure Water Project Las Virgenes-Triunfo: Authorization of Special Federal Advocacy Services

Authorize the Administering Agent/General Manager to execute an Agreement in the amount of \$60,000, to the professional services agreement with the Best Best & Kreiger LLP, for special federal advocacy services associated with the Pure Water Project Las Virgenes-Triunfo.

David Pedersen, Administering Agent/General Manager, presented the report and explained the need to hire Holland and Hart LLC. Ana Schwab, federal lobbyist for the JPA with Best Best & Krieger LLP (BBK), reported on critical dates, opportunity to expedite the EPA process, and identifying additional opportunities in securing WIFIA funding. The proposal is a short-term engagement for 4 months during the critical time frame.

Director Burns moved to approve Item 6C. Motion seconded by Director Levine.

Motion carried 9-0 by the following vote:

AYES: Directors Burns, Coradeschi, Jarecky, Levine, Lewitt, Nye, Shapiro, Tjulander, and Wall
NOES: None
ABSTAIN: None
ABSENT: Director Polan

7. BOARD COMMENTS

Chair Coradeschi reported on the Lady Face Film Festival.
Director Burns reported on the Lady Face Film Festival.

8. ADMINISTERING AGENT/GENERAL MANAGER REPORT

Dave Pedersen, Administering Agent/General Manager, reported on discussions regarding the Reverse Osmosis Concentrate (ROC) pipeline with Calleguas and AMGEN.

9. FUTURE AGENDA ITEMS

None.

10. PUBLIC COMMENTS

None.

11. ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **6:18 p.m.**

**LAS VIRGENES – TRIUNFO
JOINT POWERS AUTHORITY AND PUBLIC FINANCE AUTHORITY
MINUTES
SPECIAL MEETING**

5:00 PM

December 8, 2025

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Wayne Lemeiux.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at **5:00 p.m.** by Chair Shapiro in the Board Room at Triunfo Water & Sanitation District headquarters at 370 N. Westlake Boulevard, Westlake Village, California, 91362. Nancy Lawrence, Clerk of the Board, conducted the roll call.

Present: Directors Burns, Coradeschi (exited meeting at 6:32 p.m.), Jarecky, Levine, Lewitt, Nye, Shapiro, Tjulander, and Wall

Absent: Polan

2. APPROVAL OF AGENDA

Director Coradeschi moved to approve the agenda as proposed by moving item 6C before items 6A and 6B. Motion seconded by Director Wall. Motion carried 9-0 by the following vote:

AYES: Directors Burns, Coradeschi, Jarecky, Levine, Lewitt, Nye, Shapiro, Tjulander, and Wall

NOES:

ABSTAIN:

ABSENT: Director Polan

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

A Minutes: Regular Meeting of November 3, 2025: Approve

**B Statement of Revenues, Expenses and Changes in Net Position:
September 2025
Receive and File**

**C Bond Counsel Services: Amendment to Agreement
Authorize the Administering Agent/General Manager to execute an
amendment to the agreement with Stradling Yocca Carlson & Rauth,
in an amount not to exceed \$150,000.00, for services related to
financing of the Pure Water Project Las Virgenes-Triunfo.**

Director Tjulander moved to approve the Consent Calendar. Motion seconded by
Director Wall. Motion carried 9-0 by the following vote:

AYES: Directors Burns, Coradeschi, Jarecky, Levine, Lewitt, Nye, Shapiro,
Tjulander, and Wall

NOES:

ABSTAIN:

ABSENT: Director Polan

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A State and Federal Legislative Update

Ana Schwab, federal lobbyist for the JPA with Best Best & Krieger LLP (BBK), reported that the Government Shutdown ended and that the government is funded through January 30th, 2026. The house is focusing on permitting reform this week addressing environmental concerns while ensuring they are not duplicative and unnecessary or cause administrative burdens that delay infrastructure projects such as the JPA pure water project.

Syrus Devers, state lobbyist for the JPA with Syrus Devers Advocacy LLC, reported that the State Budget has improved from deficits in 23/24 of 55 billion, and 27 billion in 24/25 to a current deficit of 15 billion. The legislature is on winter break and will return on the 5th of January. January 16th is the deadline for 2-year bills to clear the policy committee. January 23rd is the deadline to clear the fiscal committee, and January 31st is the house of origin deadline. Any bill introduced in 2025 that is not in the other house by January 31st, 2026, is dead and cannot be brought back into the 2026 session. Last day for a bill request is January 23rd, you have until late February to get a bill introduced.

B Pure Water Project Las Virgenes-Triunfo: Update

Oliver Slosser, Engineering Program Manager, presented the report. Staff has been working on negotiations of the GMP Package from Walsh Construction and

negotiation of a phase 2 contract. Staff, The Walsh team, in-house counsel and specialized counsel have worked through contract terms and conditions as well as the transition from contract phase 1 to phase 2. On November 12th, 2025, staff provided a project update presentation to Westlake Village City Council. In January staff would like to hold an event to inform the community of traffic and construction impacts. In February staff is looking to schedule a study session with the Westlake Village City Council to go into greater detail of the design and impact of the project and to provide the City Council with a stronger comfort level of the project's pipelines. A groundbreaking event for the overall project is planned for March of 2026. The majority of Oak trees on site have been successfully removed. Work with the regulators as well as independent advisory panels continues and permits have moved forward.

Oliver Slosser was awarded the Steven K. Hall Water Law and Policy Scholarship offered by ACWA. Staff and Board recognized and congratulated Oliver on his achievement and a video of his acceptance speech was played.

C Great Race Sponsorship Opportunity

Riki Clark, Public Affairs Associate II, presented the report. A \$15,000 Premium Sponsorship opportunity with the Great Race for the JPA and Pure Water Project was discussed. Sponsorship includes visibility of the Pure Water project and facility, race naming rights on one of the four major races, a larger expo booth, premium exposure on the race shoot at the end of the race, banners throughout the park, all race related advertising, access to race registrant email list, and 15 race entries for JPA staff and board. Race name decided on by JPA board was "Pure Water 10k"

6. ACTION ITEMS

C Pure Water Project Las Virgenes-Triunfo: Award of Phase 2 Design and Construction Contract

Accept proposed Contract Amendment No. 8 from Walsh Construction; and authorize the Administering Agent/General Manager to approve an amendment to the progressive-design build contract in the amount of \$303,733,342, for Phase 2 final design and construction of the Advanced Water Purification Facility and Reverse Osmosis Concentrate Pipeline, together with a JPA controlled allowance reserve in the amount of \$12,720,542, to be administered by staff during the course of work for the Pure Water Project Las Virgenes-Triunfo.

Oliver Slosser, Engineering Program Manager, presented the report. A \$316,453,884 contract amendment with the Walsh design build team to construct the advanced water purification facility and a majority of the reverse osmosis concentrate pipeline was brought before the board for approval. This contract

amendment keeps the overall budget of \$466 million dollars. The initial proposed cost of the amendment was \$342 million. Through contract negotiations, \$28 million dollars of program savings was identified. The financial impact for this item for FY 25/26 appropriations is sufficient to cover the estimated project cost through the end of FY 25/26 with no additional appropriations required.

Director Burns moved to approve Item 6A. Motion seconded by Director Coradeschi.

Motion carried 8-0 by the following vote:

AYES: Directors Burns, Coradeschi, Jarecky, Levine, Lewitt, Nye, Shapiro, Tjulander, and Wall

NOES:

ABSTAIN:

ABSENT: Directors: Polan

**A Fiscal Year 2024-25 Annual Comprehensive Financial Report
Receive and File.**

Debbie Roslaes, Finance Manager, presented the financial report. The Districts net position as of June 30, 2025, was \$126.6, an increase of 20.8 million from Prior FY. Ongoing contractual commitments included the Pure Water Project at 17.9 million, \$106,000 for a new flair at Rancho Composting Facility, and \$359,000 for the Tapia Aluminum Sulfate tank CIP, and various other projects for total financial commitments of \$9.1 million as of June 30, 2025.

Jeffrey McKennan, Audit Supervisor, of RAMS CPA presented the Audit report. For Fiscal Year 24-25, an unmodified or "clean opinion" with no deficiencies in internal controls identified, estimates are reasonable, and all necessary disclosures appear reasonably stated in financial reports.

Director Coradeschi moved to approve Item 6B. Motion seconded by Director Tjulander.

Motion carried 9-0 by the following vote:

AYES: Directors Burns, Coradeschi, Jarecky, Levine, Lewitt, Nye, Shapiro, Tjulander, and Wall

NOES:

ABSTAIN:

ABSENT: Directors: Polan

B Pure Water Project Las Virgenes-Triunfo: Interim Financing through Non-Revolving Line of Credit

Authorize the Administering Agent/General Manager to accept the bid proposal from Wells Fargo Bank N.A., to establish a \$150 million non-revolving line of credit for interim financing of the Pure Water Project Las Virgenes- Triunfo

Brian Richie, Director of Finance and Technology, presented the report. This financing solution is designed to provide the necessary funding for project cost during construction while we finalize and close on our long term federal and state loans. The LOC offers immediate liquidity to ensure the project stays on schedule and minimizes borrowing costs.

Darren Hodge from PFM provided a presentation on the various interim financing options that were evaluated along with the rationale behind the recommended interim financing solution being proposed.

Director Burns moved to approve Item 6B. Motion seconded by Director Coradeschi.

Motion carried 8-0 by the following vote:

AYES: Directors Burns, Coradeschi, Jarecky, Levine, Lewitt, Nye, Shapiro, Tjulander, and Wall

NOES:

ABSTAIN:

ABSENT: Directors: Polan, Coradeschi – Director Coradeschi exited the meeting at 6:32 p.m.

7. BOARD COMMENTS

None

8. ADMINISTERING AGENT/GENERAL MANAGER REPORT

Administering Agent/General Manager David Pedersen reported that Media Relations firm Arellano Associates is helping with public outreach. This will be a long-term effort to ensure all District spokespeople have up-to-date training on best practices for media engagement. Training will begin early to mid-January. Monday January 5th, 2026 is the Next JPA Meeting and will be held in LVMWD Board room. For the holidays we will be closed for Christmas Eve/Christmas Day and New Year's Eve / New Year's Day.

9. FUTURE AGENDA ITEMS

None

10. INFORMATION ITEMS

None

11. PUBLIC COMMENTS

None

12. ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **6:43 p.m.**

DATE: April 6, 2026
TO: JPA Board of Directors
FROM: Finance and Technology

SUBJECT: Statement of Revenues, Expenses, and Changes in Net Position: February 2026

SUMMARY:

This report provides a year-to-date summary of unaudited Fiscal Year 2025-26 financial results for the JPA.

Through the first eight months of Fiscal Year 2025-26, the JPA generated operating revenues of \$2.5 million, 5.4 percent below prior year operating revenues of \$2.6 million. Operating revenues were 76.4 percent of the annual budget of \$3.2 million, above budget expectations through the February 28, 2026. Year-to-date operating expenses were \$17.05 million for the current fiscal year, 0.1 percent above prior year expenses of \$17.03 million, slightly below budget expectations.

As of February 28, 2026, the JPA's net position (excess of assets over liabilities) was \$126.6 million. The entirety of the net position consisted of the JPA's investment in capital assets by its participants, Las Virgenes Municipal Water District (LVMWD) and Triunfo Water & Sanitation District (TWSD).

RECOMMENDATION(S):

Receive and file the Statement of Revenues, Expenses and Changes in Net Position for the period ending on February 28, 2026.

DISCUSSION:

JPA operating revenues, comprised primarily of wholesale recycled water sales, were \$2.4 million through February 28, 2026, 7.7 percent below prior year sales of \$2.6 million for the same period. The decrease in revenue was the result of a decrease in JPA recycled water deliveries to its customers, LVMWD and TWSD, of 19.8 percent year-over-year through the first eight months of the fiscal year. The decrease in deliveries was offset by an increase to the wholesale recycled water rate charged by the JPA to its customers, Las Virgenes Municipal Water District (LVMWD) and Triunfo Water and Sanitation District (TWSD), from \$758.01 per acre-foot during the prior fiscal year to \$873.47 per acre-foot during the current fiscal year. Rate increases were approved by the JPA Board to recover estimated recycled water system operating and administrative costs in Fiscal Year 2025-26. The decrease in operating revenue was also offset by an increase in "other income" of \$55,000 as a result of the recognition of cell tower revenues in the current fiscal year.

JPA operating expenses year-to-date through February 2026 were \$17.05 million, which were \$0.4 million (or 0.1 percent) above the prior year's operating expenses of \$17.03 million.

Actual expenses encompassed 64.6 percent of the \$26.4 million annual operating budget, in line with expectations through 67% percent of the fiscal year.

Tapia Water Reclamation Facility operating expenses of \$3.8 million through the first eight months of the fiscal year were \$0.3 million (or 7.7 percent) above prior year expenses of \$3.6 million. This increase in expenses at the Tapia Water Reclamation Facility were driven mainly by higher energy costs in the current fiscal year versus the prior year.

Recycled water transmission and distribution costs of \$0.9 million were down \$0.4 million (or 36.1 percent) through the first eight months of the fiscal year versus the prior year's expenses of \$1.3 million. The decrease was driven mainly by a one-time cost for the repair of a 14-inch recycled water main in the prior year, resulting in higher outside service costs versus the current year as well as a decrease in energy costs as a result of realized solar credits.

Expenses of \$2.0 million year-to-date through February 2026 at the Rancho Las Virgenes Composting Facility were down 0.4 million (or 17.7 percent) versus the prior year's expenses of \$2.4 million due mainly from a lowered cost to in supplies and materials and reduction in costs associated with biosolids removal.

General and administrative (G&A) expenses were \$9.9 million through the first eight months of the fiscal year, which equated to 71.6 percent of the \$13.9 million budgeted for Fiscal Year 2025-26, slightly above expectations through 67 percent of the fiscal year.

As of February 28, 2026, the JPA's net position (excess of assets over liabilities) was \$126.6 million. The entirety of the net position consisted of the JPA's investment in capital assets by its participants, Las Virgenes Municipal Water District and Triunfo Water & Sanitation District.

Attachment A provides a statement summarizing the JPA's Fiscal Year 2025-26 year-to-date financial results through February 28, 2026.

GOALS:

Ensure Effective Utilization of the Public's Assets and Money

Prepared by: Debbie Rosales, Finance Manager

ATTACHMENTS:

[Statement of Revenues, Expenses, and Changes in Net Position: February 2026](#)

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Months Ended February 28, 2026 (Preliminary) and 2025
(dollars in thousands)



	Annual Budget	<i>Through 67% of fiscal year</i> Actual Year-to-Date		Variance with Prior Year Positive (Negative)
	<u>2025/26</u>	<u>2025/26</u>	<u>2024/25</u>	<u>2025/26 to 2024/25</u>
OPERATING REVENUES:				
Wholesale recycled water sales	\$ 3,173	\$ 2,374	\$ 2,571	\$ (197)
Other income	55	92	37	55
Total operating revenues	3,228	2,466	2,608	(142)
OPERATING EXPENSES:				
Treatment Plant	5,281	3,834	3,561	273
Recycled water transmission and distribution	2,534	850	1,330	(480)
Compost Plant	3,991	1,967	2,389	(422)
Sewer	438	302	210	92
General and administrative	13,774	9,856	9,343	513
Other operating expenses	375	236	198	38
Total operating expenses	26,393	17,045	17,031	14
OPERATING INCOME (LOSS) BEFORE BILLING TO PARTICIPANTS	(23,165)	(14,579)	(14,423)	(156)
Billing to Participants	23,574	14,295	13,989	306
OPERATING INCOME (LOSS)	409	(284)	(434)	150
NONOPERATING REVENUES (EXPENSES):				
Interest income (expense)	-	225	77	148
Other revenues (expenses)	-	57	176	(119)
Total nonoperating revenues (expenses)	-	282	253	29
CHANGES IN NET POSITION	409	(2)	(181)	179
NET POSITION:				
Beginning of fiscal year	126,646	126,646	105,811	20,835
Ending Net Position	\$ 127,055	\$ 126,644	\$ 105,630	\$ 21,014

DATE: April 6, 2026
TO: JPA Board of Directors
FROM: Engineering and Facilities

SUBJECT: Centrate Tank Inspection and Rehabilitation Assessment: Contract Amendment

SUMMARY:

On April 30, 2025, staff executed a professional services agreement with Alisto, Inc., in the amount of \$26,045, for the rehabilitation of the cathodic protection system for Centrate Tank No. 2 at the Rancho Las Virgenes Composting Facility. On June 4, 2025, staff authorized an amendment to the contract, in the amount of \$700, for the replacement of a deteriorated junction box, increasing the total contract amount to \$26,745. More recently, the cathodic protection system for Centrate Tank No. 1 has been discovered to be inoperable and in need of replacement. The proposed contract amendment, in the amount of \$26,745, is needed to restore the cathodic protection system for Centrate Tank No. 1, increasing the total contract amount to \$53,490.

RECOMMENDATION(S):

Authorize the Administering Agent/General Manager to approve a contract amendment with Alisto, Inc., in the amount of \$26,745, to provide additional cathodic protection services for Centrate Tank No. 1 at the Rancho Las Virgenes Composting Facility.

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

The cost of this action is \$26,745.00. Sufficient funding for the work is available in the adopted Fiscal Year 2025-26 JPA Budget. The cost of the work is allocated 70.6% to LVMWD and 29.4% to Triunfo Water and Sanitation District.

DISCUSSION:

The rehabilitation and maintenance of cathodic protection systems are critical for preserving the structural integrity and operational reliability of storage tanks, especially those in highly

corrosive environments like the centrate holding and treatment tanks at the Rancho Las Virgenes Composting Facility. Three quotes for the cathodic protection restoration work were obtained, and Alisto, Inc., was selected as the most cost-effective contractor.

On April 30, 2025, a professional services agreement was executed with Alisto, Inc., to address the cathodic protection rehabilitation needs of Centrate Tank No. 2, with an original contract value of \$26,045. The proactive approach aimed to ensure the longevity of the tank by addressing corrosion related concerns prior to the need for rehabilitation of the entire tank. During the preconstruction meeting on-site with Alisto, Inc., a deteriorated fiberglass junction box was identified, requiring an amendment to the contract in the amount of \$700. The revised contract amount of \$26,745 covered all expenses required to remove and replace the deteriorated cathodic protection system of Centrate Tank No. 2. The work was completed in September 2025, and Centrate Tank No. 2 was brought back on-line.

On January 5, 2026, Centrate Tank No. 1 was inspected and found to have a severely deteriorated cathodic protection system. To address the issue, a second contract amendment with Alisto, Inc., is proposed, in the amount of \$26,745, mirroring the cost to remove and replace the cathodic protection system for Centrate Tank No. 2. The amendment will facilitate the necessary restoration work for Centrate Tank No. 1, bringing the total contract value to \$53,490. By repairing the cathodic protection system for both of the centrate tanks, the JPA is preventing further deterioration and potentially more costly repairs or failures in the future.

GOALS:

Construct, Manage and Maintain all Facilities and Provide Services to Assure System Reliability and Environmental Compatibility

Prepared by: Devin Taylor, Assistant Engineer

ATTACHMENTS:

[Fee Proposal for Contract Amendment](#)

ICCP Restoration Proposal – LVMWD Centrate Tank (#1)

SCOPE OF WORK

Alisto Inc will repair and restoration of the Impressed Current Cathodic Protection (ICCP) system for one centrate storage tank at the Las Virgenes Municipal Water District facility in Calabasas, CA. The scope includes the following key tasks:

- 1 **Anode Replacement:** Remove seven fully depleted anodes and install new mixed metal oxide anodes, including evaluation of shielding options to minimize debris accumulation on anode surfaces
- 2 **Installation of New Fiberglass J-Box and Fittings:** We will install a new fiberglass J-box and new liquid-tight PVC fittings to replace the existing metal J-box and old fittings, ensuring improved durability and corrosion resistance.
- 3 **System Testing and Calibration:** Perform testing and calibration of the ICCP system post-repair to ensure optimal performance and corrosion protection compromised components to restore full system functionality.
- 4 **Wiring Inspection and Repair:** Inspect all existing wiring and connections for damage or faults, repairing or replacing any compromised components to restore full system functionality.
- 5 **Documentation:** Provide a comprehensive post-installation survey detailing the work completed, system performance metrics, and any recommendations for future maintenance.

ESTIMATED BUDGET

Cost Item	Base Rate	Quantity	Total
Labor Cost Includes all personnel hours, expertise, and effort required to complete the scope of work, encompassing planning, execution, and oversight.	\$16,860.00	1	\$16,860.00
Materials Covers all necessary supplies, equipment, and resources procured for the project, including delivery and handling.	\$6,400.00	1	\$6,400.00
Travel, Subsistence & Safety Equipment Encompasses all transportation and mobilization costs, as well as required safety gear (air monitoring, retrieval systems) and technical field kits	\$3,485.00	1	\$3,485.00
Subtotal - Reimbursable and ODCs			\$9,885.00
Total Not-to-Exceed Budget:			\$26,745.00

Notes:

Assumptions:

- **Health and Safety Monitoring:** The air quality and environmental conditions inside the centrate storage tank can be monitored and maintained per OSHA health and safety standards by a crew of two trained personnel equipped with appropriate personal protective equipment (PPE) and air-monitoring detection devices.
- **Access and Site Conditions:** The tank is accessible for the duration of the project, with no significant structural modifications or unforeseen obstructions (e.g., excessive sludge or debris) that would require additional equipment or labor beyond standard tank entry and cleaning protocols.
- **Existing Infrastructure Compatibility:** The existing ICCP system components (e.g., rectifier, wiring, and mounting points) are compatible with the new mixed metal oxide anodes, and no major redesign or additional materials beyond the specified replacements will be required.
- **Weather and Scheduling:** The work can be completed under typical weather conditions, with no delays due to rain, extreme temperatures, or other environmental factors that could impact crew safety or equipment functionality.

SUBMITTED BY:

Alisto Inc,
2737 N. Main St., Suite 200
Walnut Creek, CA 94597

DATE SUBMITTED:

2/2/2026

DATE: April 6, 2026
TO: JPA Board of Directors
FROM: Engineering and Facilities

**SUBJECT: Recycled Water Pump Station West Upgrade and Rehabilitation Project:
Contract Amendment**

SUMMARY:

On September 2, 2025, the JPA Board authorized a professional services agreement with Lee + Ro Inc., in the amount of \$626,174.00, for the design, bidding and construction services for the Tapia Effluent Pump Station and Recycled Water Pump Station West Upgrade and Rehabilitation Project. During the initial project research phase, staff received modeling results related to the Pure Water Project Las Virgenes-Triunfo indicating that the pumping capacity of Recycled Water Pump Station West would need to be increased to meet future demands. The proposed contract amendment, in the amount of \$73,357, provides for additional hydraulic and surge analyses efforts related to the required increase in pumping capacity at Recycled Water Pump Station West.

RECOMMENDATION(S):

Authorize the Administering Agent/General Manager to execute an amendment to the professional services agreement with Lee + Ro, Inc., in the amount of \$73,357.00, to provide additional design services for the Recycled Water Pump Station West Upgrade and Rehabilitation Project.

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

The cost of this action is \$73,357. Sufficient funding for the work is available in the adopted Fiscal Year 2025-26 JPA Budget, which is included as a component of CIP Job No. 10635 for the Pure Water Project Las Virgenes-Triunfo. The cost of the work is allocated 70.6% to LVMWD and 29.4% to Triunfo Water and Sanitation District.

DISCUSSION:

On September 2, 2025, the JPA Board authorized a professional services agreement with Lee + Ro, Inc., in the amount of \$626,174, for the design, bidding and construction services for the Tapia Final Effluent Pump Station and Recycled Water Pump Station (RWPS) West Upgrade and Rehabilitation Project. The request for proposals (RFP) for the project stated that no increase in pumping capacity would be anticipated to maintain consistent assumptions across all proposers. After the work was initiated with Lee + Ro, Inc., and following their preliminary research, the JPA received modeling results for the required water supply for the Pure Water Project's Advanced Water Purification Facility (AWPF). The initial modeling results indicated that the pumping capacity of RWPS West would need to be increased by approximately three million gallons per day to meet the higher demands expected to support the planned operation of the AWPF.

To verify and appropriately size the new infrastructure for the RWPS West, Lee + Ro proposed additional services in the amount of \$73,357. The contract amendment will increase the current contract value to \$699,531. The scope of work for the proposed amendment includes the following tasks: additional design support to incorporate the increased pumping capacity into the design, additional review of the existing hydraulic analysis for the Pure Water Project's AWPF, additional hydraulic analyses related to sizing of the new pumps and associated infrastructure improvements, and additional surge analysis efforts. Amending the contract will Lee + Ro, Inc., will ensure the successful completion of the project and meet required demands associated with the Pure Water Project's AWPF.

GOALS:

Construct, Manage and Maintain all Facilities and Provide Services to Assure System Reliability and Environmental Compatibility

Prepared by: Devin Taylor, Assistant Engineer

ATTACHMENTS:

[Proposal for Contract Amendment by Lee + Ro, Inc.](#)

February 12, 2026

Devin Taylor
Assistant Engineer
Las Virgenes Municipal Water District
(818) 251-2245

Subject: Amendment #1 – Additional Services for RWPS West Pump Station – Pumping Capacity Increase

Dear Devin:

Thank you for the JPA's input regarding the rehabilitation of the existing pump stations under the current project. Based on recent coordination and direction from the JPA, we understand that the project scope has evolved such that RWPS West will now be rehabilitated to accommodate an increased pumping capacity, while Tapia Pump Station will remain at its existing capacity.

As requested by the JPA, LEE + RO prepared this letter outlining the proposed scope and fee for additional services associated with the increased capacity at RWPS West. These services are beyond the originally authorized scope and are required to properly support the revised design criteria.

Project Understanding

The original project scope included rehabilitation of existing pump stations based on their current operating capacities. Subsequent JPA input has identified the need to increase the pumping capacity at RWPS West. The ultimate target capacity and pump configuration are still to be confirmed by the JPA. However, this change will require additional engineering effort to evaluate, conceptually analyze, and design the rehabilitated pump station to support the increased capacity.

In addition, the JPA has retained other consultants to prepare a recycled water system-wide hydraulic analysis. Based on prior meetings and coordination, this analysis is understood to be high-level and not sufficiently detailed to directly support RWPS West pump station rehabilitation and capacity expansion. As such, LEE + RO will need to perform a conceptual-level hydraulic analysis specific to RWPS West to confirm pumping capacity and new pump selections.

Preliminary Hydraulic Analysis

As part of the additional services, LEE + RO conducted a preliminary conceptual hydraulic analysis for RWPS West to evaluate the impacts of the increased pumping capacity. Our conceptual-level analysis considered multiple pump configurations and system demands. Initial evaluations of a 3-pump (2+1) layout showed very high system pressures, reaching approximately 330 psi, with design pressures approaching 420 psi when applying a typical AWWA system testing factor of 1.25. To reduce these high pressures and improve system reliability, LEE + RO also reviewed an alternative configuration, which included a 4-pump (3+1) arrangement. Based on this analysis, it may be recommended to proceed with a 4-pump arrangement, and we have developed this as an optional fee item to be discussed with the JPA following further analysis.

During a meeting with the JPA, the JPA stated that they do not want a 4-pump configuration due to cost concerns. They would rather consider a 3 duty pump configuration without any standby to pump the design flow. Also, they would prefer to look at pressure relief valve bypass system to relief high pressures in case the pumps are dead heading.

Proposed Additional Scope of Work

The proposed amendment includes the following additional services:

1. Task 1 - RWPS West Capacity Increase – Design Support
 - Incorporate the increased pumping capacity criteria into the rehabilitation design of RWPS West.
 - Evaluate impacts to pump selection, pump configuration, piping, appurtenances, and pump station layout resulting from the increased capacity.
2. Task 2 - Review of Existing Hydraulic Analysis (Performed by Others)
 - Review the hydraulic analysis prepared by other consultants on behalf of the JPA.
 - Identify data gaps, assumptions, and limitations relative to RWPS West pump station rehabilitation and capacity increase.
 - Coordinate with the JPA staff to confirm how this analysis will be used to support project decisions.
3. Task 3 - Hydraulic Analysis and Site Evaluation
 - Develop a hydraulic analysis for RWPS West under the proposed increased pumping capacity, including evaluation of 3-pump configuration including 2+1 and 3+0.
 - Perform a site evaluation to assess impacts to pump station layout, equipment arrangement, and physical constraints associated with the increased capacity.
 - Confirm compatibility with upstream and downstream system constraints.
 - Review electrical and I&C impacts associated with the increased pumping capacity.
 - Document assumptions and findings to support pump station design decisions.
 - Prepare technical memorandum summarizing findings.
4. Task 4 - Additional Surge Analysis Effort
 - Update and expand the surge analysis to reflect the increased pumping capacity at RWPS West.
 - The level of effort will include the following:
 - i. Surge analysis for both the existing pumping capacity and the proposed increased capacity.

Deliverables

1. Memorandum summarizing the review of the existing hydraulic analysis and conceptual hydraulic analysis results for RWPS West.
2. Surge analysis results.

OPTIONAL TASKS – TO BE PERFORMED IF AUTHORIZED BY THE JPA:

5. Task 5 - Design Effort Related to Mechanical and Structural Work for the Pumping Capacity Upgrades
 - Review of hydraulic capacity of existing pumping system and determine necessary upgrades.
 - Design of new pumps, valves, piping, and associated appurtenances including structural work.
 - Upgrade existing flow meter if needed, including new meter vault.
 - New surge mitigation equipment.
6. Task 6 - Additional Effort Related to Electrical and Instrumentation Work
 - After reviewing the electrical loads, the original configuration with (3) 300 HP pumps at the West Pump Station is within the existing 3,000A service entrance switchboard bus rating. The East Pump Station currently serves (3) 500 HP pumps with an estimated demand of 1,770A. Under the original West Pump Station configuration, the combined demand for MCC-101 (East, 1,770A) and MCC-102 (West) totaled 2,976A, which is within the 3,000A bus.
 - With the increase in pump size at the West Pump Station, the combined demand now exceeds the 3,000A switchboard bus rating. As a result, substantial coordination with SCE is required to replace the existing service entrance switchboard with a new larger switchboard. This will include site visits, SCE service planner coordination, and design. The design effort will include verification of the proposed switchboard footprint for a replace-in-place installation. If a replace-in-place installation is not feasible,

an alternate switchboard location will be evaluated, including routing new feeders to serve the existing East Pump Station MCC and the new West Pump Station MCC.

- In addition, the existing West Pump Station MCC includes a PLC system that appears to collect instrumentation and pump run status for both pump stations. The revised approach will provide a new PLC within the new West Pump Station MCC and route the West Pump Station instrumentation and pump controls to this new PLC via new conduit and wiring. The East Pump Station will remain on the existing MCC/PLC controls, with no modifications to East Pump Station controls intended as part of this change (other than any power re-feed/cutover interface required to support the switchboard upgrade).

Deliverables

1. Drawings and specifications, and additional design documentation which will incorporate the increased RWPS West capacity.

Fee

Our Not-to-Exceed fee for the additional services outlined above is \$73,357. Optional Tasks 5 and 6, in the amount of \$91,496, will be performed only upon authorization by the JPA. Please find the detailed fee breakdown attached.

Assumptions

1. Tapia Pump Station remains at its existing capacity with no additional design effort required.
2. This amendment does not include final system-wide hydraulic modeling beyond the conceptual analysis described herein.
3. Final pump capacities and operating criteria will be provided or confirmed by the JPA.
4. Upgrades to discharge line beyond pump station limits are not included in this scope.
5. No upgrades will be made to the RWPS East pump station, suction and discharge line.

We appreciate the opportunity to continue working with the JPA on this project and to support the evolving needs of the JPA. Please feel free to contact me if you have any questions or would like to discuss this amendment further.

Respectfully Submitted,

LEE + RO, Inc.



Boyana Angelova, PE
Project Engineer
(978) 881-8091



Amritendu Maji, PE
Project Manager
(626) 667-5352

Enclosures:

Exhibit 1 – LEE + RO's Fee Breakdown

Exhibit 1: Fee Breakdown Amendment #1 – Additional Services for RWPS West Pump Station – Pumping Capacity Increase															
Labor Category: E9 Chief Engineer, E8 Managing Engineer; E7 Supervising Engineer; E5 Senior Engineer; E4 Engineer; E2 Assistant Engineer; T6 Principal Designer; T2 Associate Designer; A2 Senior Word Processor	E9	E8	E7	E5	E3	E2	T6	T2	A2	Total Hours	Total Labor	Other Direct Costs	Sub-Consultant Fees	Markup on Subs	TOTAL
Project Tasks	\$353	\$317	\$284	\$213	\$177	\$131	\$235	\$121	\$114					5%	
Task 1: RWPS West Capacity Increase – Design Support															
1.1 Capacity Criteria Integration		1		2		4				7	\$1,267				\$1,267
1.2 Pumping System and Layout Impacts		1		2		4				7	\$1,267				\$1,267
Subtotal Task 1: RWPS West Capacity Increase – Design Support	0	2	0	4	0	8	0	0	0	14	\$2,534	\$0	\$0	\$0	\$2,534
Task 2: Review of Existing Hydraulic Analysis (Performed by Others)															
2.1 Review of Existing Hydraulic Analysis Model Prepared by Others		4		8		8				20	\$4,020				\$4,020
2.2 Coordination with the JPA and Other Stakeholders to Discuss Hydraulic Analysis		2		4		4				10	\$2,010				\$2,010
Subtotal Task 2: Review of Existing Hydraulic Analysis (Performed by Others)	0	6	0	12	0	12	0	0	0	30	\$6,030	\$0	\$0	\$0	\$6,030
Task 3: Hydraulic Analysis and Site Evaluation															
3.1 Hydraulic Evaluation	1	4		8		24				37	\$6,469				\$6,469
3.2 Site Evaluation		4		8		24	8			44	\$7,996				\$7,996
3.3 System Compatibility Review		4		8		16				28	\$5,068				\$5,068
3.4 Electrical and I&C Analysis	4	2	8	4	40	24				82	\$15,394				\$15,394
3.5 Preparation of Technical Memo Summarizing the Conceptual Hydraulic Analysis		4	8	8	24	40				84	\$14,732				\$14,732
Subtotal Task 3: Hydraulic Analysis and Site Evaluation	5	18	16	36	64	128	8	0	0	275	\$49,659	\$0	\$0	\$0	\$49,659
Task 4: Additional Surge Analysis Effort															
4.1 Update and expand the surge analysis to reflect the increased pumping capacity at RWPS West (Assumes for existing and proposed pumping capacity)		2		4		8				14	\$2,534		\$12,000	\$600	\$15,134
Subtotal Task 4: Additional Surge Analysis Effort	0	2	0	4	0	8	0	0	0	14	\$2,534	\$0	\$12,000	\$600	\$15,134
TOTAL (TASKS 1 TO 4)	5	28	16	56	64	156	8	0	0	333	\$60,757	\$0	\$12,000	\$600	\$73,357
OPTIONAL TASKS - TO BE PERFORMED IF AUTHORIZED BY THE JPA															
Task 5: Design Effort Related to Mechanical and Structural Work for the Pumping Capacity Upgrades															
5.1 Upgrade Pumping System, Including Suction and Discharge		4		16	8	24	4	32		88	\$14,048				\$14,048
5.2 Upgrade Piping and Site Layout		4		12	24	24	4	32		100	\$16,028				\$16,028
5.3 Flow Meter Upgrades		4	4	24	8	16	4	32		92	\$15,840				\$15,840
5.4 Surge Mitigation Design		2		16	8	12	2	24		64	\$10,404				\$10,404
Subtotal Task 5: Design Effort Related to Mechanical and Structural Work for the Pumping Capacity Upgrades	0	14	4	68	48	76	14	120	0	344	\$56,320	\$0	\$0	\$0	\$56,320
Task 6: Additional Effort Related to Electrical and Instrumentation Work															
6.1 Electrical Load Evaluation	1		16	1	8	24				50	\$9,670				\$9,670
6.2 Utility Coordination and Switchboard Replacement	1		2	1	8	40				52	\$7,790				\$7,790
6.3 Feeder and MCC Reconfiguration	1		8	1	8	8		16		42	\$7,238				\$7,238
6.4 West PS PLC and Controls Modifications	1		16	1	8	8		24		58	\$10,478				\$10,478
Subtotal Task 6: Additional Effort Related to Electrical and Instrumentation Work	4	0	42	4	32	80	0	40	0	202	\$35,176	\$0	\$0	\$0	\$35,176
TOTAL OPTIONAL TASKS (TASK 5 AND 6)	4	14	46	72	80	156	14	160	0	546	\$91,496	\$0	\$0	\$0	\$91,496

Las Virgenes-Triunfo Joint Powers Authority

March 20, 2026

Ana Schwab, Lowry Crook, Michael Brain, Chris Keosian, Madeline Voitier, and Alex Dunn

Congress

In recent weeks, party retreats and primary elections outside of Washington, D.C., have driven much of the activity surrounding Congress. As the upcoming midterm elections shape the broader political landscape, these events serve as an opportunity for party leaders and members of Congress to refine policy priorities and hone messaging.

The Department of Homeland Security (DHS) remains in a partial shutdown even as the Fiscal Year 2027 (FY27) Appropriations process moves forward. However, congressional attention has recently focused on U.S. Military actions in the Middle East and President Trump's push for Senate action on controversial election legislation, including ending the centuries-old filibuster rule. These dynamics have created a strained legislative environment in Congress.

Against this backdrop, Congress is preparing to take up a full legislative agenda this year including consideration of annual appropriations bills, an Agriculture and Nutrition Policy Bill (Farm Bill), a Surface Transportation Re-authorization Bill (Highway Bill), National Security Authorizing Legislation (FISA Re-authorization), Housing Legislation, Permitting Reform Legislation, the Water Resources Development Act (WRDA) and potentially other water, lands, and environmental authorization packages, as well as the National Defense Authorization Act (NDAA). Additionally, Republicans have begun discussing whether to pursue another budget reconciliation bill and what policy priorities it might include.

House Subcommittee Examines Drinking Water Infrastructure and Affordability Challenges

On February 24, 2026, the House Energy and Commerce Subcommittee on Environment held a hearing to discuss the financial, regulatory, and operational pressures facing drinking water systems across the country. Lawmakers and witnesses discussed aging infrastructure, affordability concerns, emerging contaminants including PFAS,

implementation of federal funding programs, and the ability of water utilities to meet expanding regulatory requirements while maintaining reliable service.

The hearing featured testimony from Nicole Murley, Deputy Inspector General of the U.S. Environmental Protection Agency (EPA); Erik Olson of the Natural Resources Defense Council (NRDC); Eric Hill on behalf of the National Rural Water Association (NRWA); and Lindsey Rehtin on behalf of the Association of Metropolitan Water Agencies (AMWA).

Opening statements reflected bipartisan agreement that drinking water infrastructure remains a major public health and economic issue, though members emphasized different priorities. Subcommittee Chair Gary Palmer (R-AL-06) highlighted the need for oversight of federal spending and pointed to recent infrastructure failures as examples of the risks posed by aging systems. Ranking Member Paul Tonko (D-NY-20) emphasized the ongoing need for federal investment to address infrastructure backlogs, cybersecurity risks, lead service line replacement, and emerging contaminants. Full Committee Chairman Brett Guthrie (R-KY-02) discussed the upcoming expiration of certain drinking water authorities from the Infrastructure Investment and Jobs Act (IIJA) as an opportunity for Congress to review the effectiveness of existing programs, while Ranking Member Frank Pallone (D-NJ-06) called for expanding support through the Drinking Water State Revolving Fund (DWSRF) and strengthening regulatory protections for contaminants such as PFAS.

Witness testimony highlighted both the scale of national drinking water needs and the practical challenges utilities face implementing federal programs. Deputy Inspector General Murley emphasized the importance of strong oversight as federal funding increases, warning that weak controls, poor data quality, and fraud risks could undermine program effectiveness. Olson argued that federal funding still covers only a fraction of national infrastructure needs and urged a broader regulatory approach to contaminants rather than addressing them individually. Hill focused on the operational challenges facing small and rural systems, noting that those utilities must comply with the same federal standards as large metropolitan systems but often lack the staff, administrative capacity, and ratepayer base to manage compliance costs. Rehtin emphasized the need for continued federal financing tools and raised concerns about potential liability under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) related to PFAS disposal.

During questioning, members explored several policy issues likely to shape future congressional debate. For example, lawmakers examined delays and administrative hurdles associated with federal funding programs, the impact of Build America Buy America requirements on project timelines, and the ability of smaller systems to comply with new PFAS standards under the Safe Drinking Water Act (SDWA). Members also

discussed the need for long-term infrastructure financing, potential changes to the Water Infrastructure Finance and Innovation Act (WIFIA) program, cybersecurity protections for water systems, and whether utilities should face cleanup liability when contamination originates from other sources.

Congress continues to grapple with several core questions in federal drinking water policy, including how federal funding programs are reaching local systems, how to balance regulatory protections with affordability, and what additional federal support may be needed as existing infrastructure funding authorities begin to expire. These issues are expected to remain central to congressional oversight and potential legislative action on drinking water policy in the coming years.

House Committee Hearing Reviews Data Center Infrastructure and AI Energy Demand

On February 24, 2026, the House Science, Space, and Technology Subcommittee on Investigations and Oversight held a hearing to examine the growing energy and infrastructure demands associated with artificial intelligence (AI) and the rapid expansion of data centers. Lawmakers examined potential policy responses, including permitting reforms, energy supply challenges, and the broader economic and environmental impacts of large-scale data center development.

Opening statements highlighted emerging partisan differences over how quickly federal policy should move to support expanded AI-related infrastructure. Subcommittee Chair Rich McCormick (R-GA-07) emphasized the need to address permitting delays that could slow construction of data centers and associated energy infrastructure, arguing that current approval timelines may hinder U.S. competitiveness in the global AI race. He indicated that Congress may need to revisit federal permitting frameworks while maintaining environmental protections.

Ranking Member Emilia Sykes (D-OH-13) cautioned that the rapid expansion of data center infrastructure could raise electricity prices and create environmental and community impacts if not carefully managed. She urged policymakers to consider guardrails and conduct further research before approving large-scale infrastructure buildouts. Full Committee Ranking Member Zoe Lofgren (D-CA-18) similarly stressed the need for greater transparency from technology companies regarding data center energy and water use, noting that policymakers and communities currently lack consistent data to evaluate the full impacts of future development.

Witness testimony reflected a range of perspectives on the policy path forward. Paige Lambermont of the Competitive Enterprise Institute argued that regulatory barriers are a

major factor contributing to power shortages and supported broad permitting reforms across several environmental statutes, including the National Environmental Policy Act (NEPA), Clean Water Act (CWA), Clean Air Act (CAA), and Endangered Species Act (ESA). Marsden Hanna of Google highlighted the importance of permitting and transmission reforms for maintaining U.S. leadership in AI development and expressed support for the SPEED Act, which would streamline environmental reviews under NEPA.

Meanwhile, Eric Masanet, Professor and Mellichamp Chair in Sustainability Science for Emerging Technologies at the Bren School of Environmental Science and Management at U.C. Santa Barbara, emphasized the need for improved federal data collection on data center electricity and water use, noting that policymakers currently face major information gaps that complicate planning and regulatory oversight.

During questioning, lawmakers examined whether co-locating data centers with new energy generation could reduce strain on the grid, how overlapping federal and state permitting processes affect project timelines, and whether more transparent reporting on energy and water use could help policymakers better understand the broader impacts of data center expansion.

Growing congressional attention to the infrastructure demands created by AI development has revealed significant policy disagreements about how aggressively the federal government should pursue permitting reforms and energy infrastructure expansion. These debates are likely to continue as lawmakers consider legislation addressing data center siting, energy supply, permitting reform and regulatory oversight in the months ahead.

House and Senate Examine Priorities for the Water Resources Development Act of 2026

In late February, the House Transportation and Infrastructure Subcommittee on Water Resources and Environment and the Senate Environment and Public Works Committee held oversight hearings examining Administration priorities and Congressional concerns ahead of the next Water Resources Development Act of 2026 (WRDA 2026). The hearings offered an early look at how lawmakers may begin shaping the next biennial water infrastructure bill and highlighted several recurring issues, including project delivery delays, slow implementation of prior WRDA provisions, affordability for non-federal sponsors, and the growing backlog of authorized projects at the U.S. Army Corps of Engineers (Corps).

Both committees heard testimony from Adam R. Telle, Assistant Secretary of the Army for Civil Works, and William H. Graham Jr., Chief of Engineers and Commanding General of the Army Corps. Assistant Secretary Telle emphasized the Administration's efforts to accelerate infrastructure delivery by reducing process burdens and refocusing the Army

Corps on project execution rather than administrative paperwork, known as the “Building Infrastructure, Not Paperwork” initiative that was first announced on February 23, 2026.

Members from both parties reiterated support for the bipartisan WRDA process, but expressed frustration with the pace of implementation for recently enacted provisions and the large backlog of authorized projects awaiting completion. Lawmakers also raised concerns about project affordability for local sponsors, coordination with state and local partners, communication with Congress, and the need for greater transparency and predictability in project timelines. Flood risk management, navigation infrastructure, permitting clarity, and improved forecasting tools for water supply and drought preparedness were also discussed as likely priorities in WRDA 2026.

California water infrastructure projects received particular attention during the hearings. In the House, Rep. Kevin Kiley (Ind.-CA-03) highlighted the importance of federal support for water storage projects in the state and referenced funding included in the One Big Beautiful Bill Act that he hopes will support projects such as Shasta Dam and Sites Reservoir. John Garamendi (D-CA-08) also asked about the status of the Corps’ review of the state’s Clean Water Act permit request for the Delta Conveyance Project, which Corps leadership said remains under evaluation.

During the Senate hearing, California senators pressed Corps leadership more directly on the status of several major projects and broader concerns about federal decision-making affecting the state. Sen. Alex Padilla (D-CA) argued that the Corps’ process for funding and implementing projects in California is “fundamentally broken,” citing the removal of more than \$126 million from California projects in the Corps’ FY2025 work plan and raising questions about an earlier pause affecting billions of dollars in Corps funding. Padilla also highlighted uncertainty surrounding several projects, including the San Francisco Waterfront Coastal Flood Study and a recycled water pipeline in Los Angeles County. Corps leadership responded that the San Francisco project may need to be broken into smaller phases to improve cost accuracy and project delivery.

Sen. Adam Schiff (D-CA) also raised concerns about the cancellation of several flood control projects in California and questioned whether political considerations played a role. Lt. Gen. Graham responded that the affected projects involved carryover funding that had not yet been obligated and indicated that those funds would be used this year. Schiff also pressed the witnesses on delays in advancing the Los Angeles River ecosystem restoration project, despite earlier commitments to complete a required report in time for WRDA 2026—a concern also raised by Rep. Laura Friedman (D-CA-30) during the House hearing. Graham acknowledged that the Corps would miss that timeline, citing challenges, including rising real estate costs and difficulties assembling a viable project plan.

Overall, the hearings reinforced bipartisan interest in advancing WRDA 2026, while highlighting ongoing congressional frustration with implementation delays, project delivery timelines, and communication between the Corps and Congress.

House Energy and Commerce Subcommittee Examines Brownfields Reauthorization and Infrastructure Priorities

On March 4, 2026, the House Energy and Commerce Subcommittee on Environment held a hearing focused on competing draft legislative proposals to reauthorize and update the U.S. Environmental Protection Agency (EPA) Brownfields Program. Members and witnesses discussed whether reforms should prioritize expanding funding and community redevelopment grants or broaden eligibility to accelerate large-scale infrastructure and private-sector projects.

Subcommittee Chairman Rep. Gary Palmer (R-AL-06) discussed several Republican draft bills that would expand grant eligibility, raise award limits, and prioritize redevelopment projects considered “nationally significant infrastructure,” including facilities tied to artificial intelligence, critical minerals, power generation, and semiconductor manufacturing. Republican members emphasized the potential for brownfield redevelopment to accelerate economic development, attract private investment, and repurpose underutilized industrial sites.

Democratic members, led by Subcommittee Ranking Member Rep. Paul Tonko (D-NY-20) and Full Committee Ranking Member Rep. Frank Pallone (D-NJ-06), supported reauthorizing the program but raised concerns that the majority’s proposals could shift limited funding away from community-led redevelopment toward large corporate projects. Democrats instead promoted their proposal, which would significantly increase program funding and waive cost-sharing requirements for disadvantaged communities.

Witness testimony reflected similar divisions. Chris Wells of the Mississippi Department of Environmental Quality supported reauthorization and modest program expansions, emphasizing the program’s role in leveraging private investment and supporting rural communities. Gerald Pouncey of Taft Stettinius & Hollister encouraged policies that would strengthen private-sector participation and streamline permitting. In contrast, Alan Tomson, Mayor of Davis, West Virginia, warned that prioritizing large infrastructure projects could divert resources from local governments that rely on federal brownfield grants for site cleanup and redevelopment.

Representing industry, David Robinson of Aligned Data Centers highlighted the growing interest in redeveloping brownfield sites for data centers, noting that these locations often

provide existing access to power, water, and transportation infrastructure. However, several members questioned whether large infrastructure developers should receive federal brownfields funding given limited program resources.

The hearing underscored ongoing bipartisan support for the Brownfields Program but also highlighted unresolved disagreements over funding levels, eligibility for private companies, and proposals to streamline permitting—particularly exemptions from the National Environmental Policy Act (NEPA) for certain infrastructure projects. Congress last formally reauthorized the program in 2018, though funding currently continues through fiscal year 2026 under the Infrastructure Investment and Jobs Act (IIJA).

Senate Committee Reviews TSCA Fee Reauthorization and Chemical Review Reforms

The Senate Environment and Public Works Committee (EPW) held a legislative hearing to examine a discussion draft of the Toxic Substances Control Act (TSCA) Fee Reauthorization and Improvement Act of 2026 on March 4, 2026. The hearing focused on whether reforms to EPA’s new chemical review process are needed as Congress considers reauthorizing the agency’s authority to collect industry fees under TSCA.

Sen. Kevin Cramer (R-ND), speaking on behalf of Chair Sen. Shelley Moore Capito (R-WV), argued that EPA’s implementation of TSCA has become overly burdensome and unpredictable, contributing to lengthy review timelines that discourage domestic innovation and may push chemical development overseas. Cramer emphasized the need for targeted reforms to improve flexibility and predictability in the review process, particularly for industries such as semiconductors that rely on specialized chemicals.

Ranking Member Sen. Sheldon Whitehouse (D-RI) acknowledged the value of bipartisan engagement on the issue but raised concerns that elements of the draft proposal could weaken public health protections and allow industry undue influence over EPA’s scientific decision-making. Whitehouse indicated he would support a narrower approach focused on simply reauthorizing TSCA user fees if lawmakers cannot reach agreement on broader reforms.

Witnesses offered varying perspectives on the proposal. Richard Engler, Ph.D., testifying on behalf of the Coalition for Chemical Innovation, argued that delays in EPA reviews stem from unclear statutory language and overly cautious interpretations of risk, rather than insufficient data from manufacturers. Engler urged Congress to clarify key TSCA standards, including the definition of “unreasonable risk” and the scope of “reasonably foreseen circumstances.”

David Isaacs of the Semiconductor Industry Association emphasized that the semiconductor sector relies on low-volume, highly controlled chemical uses and would benefit from a more predictable review process with clearly defined timelines and risk assessments based on actual conditions of use.

Former EPA chemical safety official Dr. Michal Freedhoff cautioned that changes should be narrowly targeted and accompanied by adequate agency resources. She warned that removing certain review requirements or expanding exemptions could create implementation challenges for EPA, particularly amid staffing constraints.

During the question-and-answer session, several Democratic senators raised concerns about provisions in the draft that could allow some chemicals to enter commerce with limited review or shift regulatory thresholds. Sen. Alex Padilla (D-CA) criticized the proposed “more likely than not” risk standard, arguing it could restrict EPA’s ability to regulate chemicals that pose significant but uncertain risks. Sen. Jeff Merkley (D-OR) also questioned proposals allowing third-party assessors and equivalency-based exemptions, highlighting potential conflicts of interest and concerns related to PFAS and other emerging contaminants.

The hearing highlighted broad agreement that EPA’s new chemicals review process faces operational challenges but revealed ongoing disagreements about whether legislative changes should primarily accelerate approvals for industry or preserve the stronger public health safeguards established in the 2016 Lautenberg amendments to TSCA. Lawmakers signaled that negotiations will continue as Congress approaches the deadline to reauthorize EPA’s authority to collect TSCA fees later this year on June 22, 2026.

House Agriculture Committee Advances Farm Bill Reauthorization

On March 5, 2026, the House Agriculture Committee voted 34–17 to advance its latest Farm Bill reauthorization proposal H.R. 7567, the *Farm, Food, and National Security Act of 2026*—marking the first major step toward a full reauthorization since 2018. While the legislation has not yet been enacted, its advancement out of Committee indicates how House Republicans, along with a small group of Democrats, currently align on key policies related to agricultural, nutrition, energy, forestry, and rural development.

The bill, introduced by Committee Chair Glenn Thompson (R-PA-15), would reauthorize major Farm Bill programs through fiscal year 2031 and largely mirrors legislation the Committee advanced in 2024. Seven Democrats joined all Committee Republicans in supporting the bill, including Jim Costa (D-CA-21) and Adam Gray (D-CA-13), while Committee Ranking Member Angie Craig (D-MN-02) opposed the legislation.

The Committee markup included bipartisan support for several amendments but also significant debate over provisions that would preempt certain state laws regulating pesticide labeling and livestock production practices. Democrats unsuccessfully offered amendments to remove the federal preemption language and to reverse nutrition program changes adopted through the One Big Beautiful Bill Act. An additional amendment to authorize year-round sales of E-15 ethanol was ruled out of order by Republicans on jurisdictional grounds.

The legislation proposes updates across several major Farm Bill titles. Within the conservation title, the bill would create a new Forest Conservation Easement Program to support voluntary easements on private forestland and establish federal matching grants for state and Tribal soil health programs. The bill also maintains funding and authorities for existing conservation programs.

In the nutrition title, the legislation includes provisions aimed at strengthening oversight and administration of the Supplemental Nutrition Assistance Program (SNAP), including greater reporting requirements on payment errors and administrative costs. The bill would also provide temporary staffing flexibility for state agencies administering SNAP during emergencies or staffing shortages and prioritize domestically produced foods in federally-supported school meal programs.

The rural development title reauthorizes several infrastructure and community programs administered by USDA, including broadband deployment, water infrastructure grants, and telemedicine programs. The bill would formally incorporate the ReConnect broadband program into statute, establish a new Innovative Broadband Advancement Program to support emerging broadband technologies, and reauthorize water infrastructure assistance programs for rural communities and Alaska Native villages.

The forestry title includes provisions intended to support active forest management and wildfire mitigation, including extending stewardship contract authorities and modernizing the Forest Inventory and Analysis program.

Finally, the energy title proposes several changes aimed at supporting rural renewable energy development and biofuel production. These include expanding eligibility for sustainable aviation fuel under federal bioenergy programs, extending funding for advanced biofuel payments, and directing USDA and the U.S. Department of Energy to study the impacts of agrivoltaic systems on farmland and natural resources.

Although the Committee vote represents a significant milestone in the Farm Bill reauthorization process, the path forward remains uncertain. House Republican leaders

have expressed interest in advancing the bill to the floor, but opposition from Democratic leadership over nutrition policy changes and other provisions could complicate passage.

Senate Permitting Reform Negotiations Re-Start After Months-long Delay

Congressional negotiations over federal permitting reform resumed earlier this month, after a lengthy pause triggered by Senators' disputes over the Trump Administration's attempted cancelation of previously approved renewable energy projects. Senate talks had been underway for several years as lawmakers sought to streamline the federal approval process for energy and infrastructure projects, building on limited permitting provisions included in the 2022 Inflation Reduction Act. However, negotiations stalled in December 2025 after the Department of the Interior issued stop-work orders for five offshore wind projects. Democratic negotiators, led by Sen. Sheldon Whitehouse (D-RI) and Sen. Martin Heinrich (D-NM), withdrew from formal discussions in protest, arguing the Administration was targeting renewable energy development.

However, momentum began to return in this month after federal courts blocked the stop-work orders and the Interior Department resumed processing permits for certain solar and onshore wind projects. On March 5, 2026, Whitehouse indicated that negotiations were likely to restart, and by the next day Democrats formally rejoined the talks. Lawmakers from both parties emphasized the broad interest in modernizing the federal permitting system to accelerate construction of energy, transportation, and water infrastructure projects. Democratic negotiators warned that further Administration actions against renewable projects could again jeopardize the talks.

The White House has also increased its involvement in the negotiations in recent weeks. Administration officials, including the President's legislative affairs team and the National Energy Dominance Council, have engaged more directly with Congressional negotiators as energy affordability and electricity demand become more prominent policy concerns.

While no legislative text has been released, lawmakers say discussions are focusing on measures to accelerate environmental reviews, limit certain legal challenges, and provide greater certainty for both fossil fuel and renewable energy projects, in addition to other forms of infrastructure. Negotiators have suggested that a bipartisan framework could emerge in the coming weeks, although the timeline remains uncertain given the constraints of a midterm election year. As a result, any final permitting package may ultimately need to move as part of a broader must-pass legislative vehicle if Congress hopes to enact reforms in 2026.

Federal Budget/Appropriations

DHS Shutdown Enters Second Month

The Department of Homeland Security (DHS) is entering its second month of a shutdown after Congress failed to reach a bipartisan agreement on its FY2026 funding bill on February 14, 2026. The lapse has disrupted operations across multiple DHS departments including the Federal Emergency Management Agency (FEMA), the U.S. Coast Guard, Immigration and Customs Enforcement (ICE), Customs and Border Patrol (CBP), Transportation Security Administration (TSA), and the Cybersecurity and Infrastructure Security Agency (CISA). As the shutdown continues, the operational and workforce impacts are becoming increasingly pronounced. Notably, the shutdown persists amid a transition in leadership as Secretary of Homeland Security Kristi Noem was removed from her position earlier this month (more detail provided in subsequent section).

FEMA's Disaster Relief Fund is reported to be quickly diminishing and could be depleted within months without Congressional action. Roughly 120,000 DHS employees continue to work without pay; including about 20,000 FEMA staff, nearly 900 CISA personnel, and approximately 42,000 TSA officers. TSA employees missed their first full paycheck last week, which has contributed to rising attrition, with more than 300 officers reportedly leaving the agency since the shutdown began.

At the center of the political impasse is a dispute over immigration enforcement authorities, particularly changes involving how ICE Agents are allowed to operate. While the White House and Democratic lawmakers have exchanged several proposals, no agreement has emerged. Senate Republicans have begun outlining elements of the Administration's latest offer, which would modify the previously negotiated DHS funding bill. The proposal includes additional funding for body cameras and other provisions that appropriators say build on earlier bipartisan work. Republicans have also indicated that the White House is open to adjusting certain warrant requirements, though details remain undisclosed.

Democrats argue that the core issues remain unresolved. They continue to push for judicial warrant requirements for home entries and restrictions on agents wearing masks to conceal their identities—provisions Republicans have rejected. Senate Democrats' attempts to pass standalone funding bills for TSA, CISA, the Coast Guard, and FEMA were

blocked by Republicans, who in turn saw Democrats block a short-term extension to keep DHS funded through late March.

The prolonged stalemate underscores a widening policy divide. Despite ongoing conversations, each party accuses the other of failing to negotiate in good faith, even as the shutdown becomes the third-longest in U.S. history. With operational consequences deepening across the department, pressure is mounting on Congress to break the impasse and restore full DHS operations.

FY27 Community Project Funding Process Underway

On February 25, 2026, the U.S. House Committee on Appropriations formally released its official guidance for the Fiscal Year 2027 (FY27) Community Project Funding (CPF) process—also known as “earmarks.” In the U.S. Senate, the same process is called Congressionally Directed Spending (CDS).

To receive federal funding, these project requests must be submitted by Members of Congress, included in an FY27 Appropriations bill approved by the relevant Appropriations Committees, passed by both the House and Senate Chambers, and signed into law by the President.

BBK has worked in consultation with the JPA’s staff to identify a project suitable for CPF/CDS funding and submitted the following application:

- **AWPF Brine Line Connection Project** – Submitted to Senators Alex Padilla (D-CA) and Adam Schiff (D-CA), and Representative Julia Brownley (D-CA-26)

In the U.S. House of Representatives, Members must submit to the Appropriations Committee a list of up to 20 projects for consideration by March 20, 2026. Submission by a member is the first step in the FY27 CDS/CPF process.

Administration/Regulatory

Interior Issues Final Rule Revising NEPA Implementation Regulations

On February 23, 2026, the U.S. Department of the Interior issued a final rule revising its regulations for implementing the National Environmental Policy Act (NEPA). According to the Department, the rule rescinds more than 80% of its existing NEPA-related regulations and transfers many procedural details to a streamlined departmental handbook. The agency stated that the change is intended to simplify environmental review processes, reduce administrative requirements, and accelerate approvals for energy, infrastructure, and conservation projects.

Interior officials stated that the rule is intended to be consistent with their interpretation of Congress' original intent that NEPA serve as a procedural statute which informs agency decision-making, rather than functioning as an extensive regulatory framework. The rule also introduces provisions to clarify the designation of lead agencies and formalize participation by federal, state, local, and tribal entities with relevant expertise during environmental reviews.

Notably, the revisions modify certain public participation requirements. Public comment will continue to be required when an agency initiates an environmental impact statement, but agencies will no longer be required to publish a notice in the Federal Register when beginning a less detailed environmental assessment.

The rule follows a broader policy shift by the White House to scale back long-standing NEPA implementation regulations previously issued by the Council on Environmental Quality beginning in 1977.

Legal analysts and environmental organizations have raised concerns that the rule could limit opportunities for public engagement and environmental analysis during project reviews. Some groups have already challenged earlier versions of the policy in federal court, arguing that the changes may conflict with federal law.

EPA Advances Several PFAS Regulatory Developments in February

During the month of February, the U.S. Environmental Protection Agency (EPA) advanced a series of actions that together signal a recalibration of federal oversight of PFAS, also known as “forever chemicals.” These steps revise parts of the Biden Administration’s 2024 drinking water rule, while continuing to expand federal chemical reporting requirements.

On February 24, 2026, EPA submitted two proposed rules to the White House Office of Management and Budget (OMB) for review. One proposal would extend the compliance deadline for public water systems to meet drinking water standards for PFOA and PFOS from 2029 to 2031, citing cost and implementation challenges raised by water utilities. The second proposal would rescind regulatory determinations and associated drinking water limits for four additional PFAS—GenX, PFNA, PFHxS, and PFBS—which EPA now says were designated without fully meeting procedural requirements under the Safe Drinking Water Act (SDWA).

These proposed changes are unfolding amid ongoing litigation over the 2024 PFAS rule. EPA has asked the U.S. Court of Appeals for the D.C. Circuit to separate and pause challenges related to the PFAS targeted for rescission, arguing that the new rulemaking could affect the outcome of the case. The effort is complicated by SDWA provisions that generally prohibit weakening existing drinking water protections—also known as the “anti-backsliding” rule. States and water utilities have warned that regulatory delays and uncertainty make long-term compliance planning more difficult.

At the same time, EPA has continued to expand transparency requirements for PFAS discharges. Additionally, on February 23, 2026, the agency finalized a rule adding sodium perfluorohexanesulfonate (PFHxS-Na) to the Toxics Release Inventory. The first reporting period began January 1, 2026 and the first reports are due to EPA by July 1, 2027. EPA has emphasized that expanded reporting is intended to improve public access to information about PFAS use and releases.

White House Announces DHS Leadership Shift

On March 5, 2026, President Donald Trump announced that he would replace U.S. Secretary of Homeland Security Kristi Noem and nominate Sen. Markwayne Mullin (R-OK) to lead the U.S. Department of Homeland Security (DHS). Noem is expected to move to a new role as Special Envoy for the “Shield of the Americas,” a Western Hemisphere security initiative.

Criticism of Secretary Noem’s leadership had been building for months. Scrutiny intensified following the January 2026 fatal shooting of two U.S. citizens by federal immigration agents in Minneapolis, as well as questions about DHS spending on a controversial government advertising campaign costing approximately \$200 million.

Sen. Mullin, a close ally of the President, said that he expects to work closely with the White House if confirmed. The Senate has begun considering the nomination, but confirmation by the Trump Administration’s March 31, 2026 target date remains uncertain.

USFS Roadless Rule Repeal Advances to White House OMB for Review

The Trump Administration’s effort to rescind federal logging limits in National Forest Roadless Areas advanced on March 6, 2026, when the proposed rule was formally submitted to the White House Office of Management and Budget (OMB) for review. The proposal would roll back the 2001 Roadless Area Conservation Rule, which restricts road construction and timber harvesting on roughly 59 million acres of National Forest land—about 30% of the National Forest System. Under the Administration’s proposal, those restrictions would be removed from about 44 million acres.

Administration officials describe the repeal as part of a broader strategy to increase domestic timber production and reduce reliance on imported wood products. They also argue that expanded tree removal in currently restricted areas could help reduce wildfire risks by altering forest fuel conditions. Submission to OMB marks a required step before the proposal can be released for public comment and later finalized.

The Forest Service reported receiving more than 625,000 public comments during its August–September 2025 notice of intent to pursue the repeal. Stakeholder responses remain sharply divided. Environmental organizations widely oppose rescinding the rule, citing concerns about long-term ecological impacts and the loss of protections for undeveloped forest areas. Timber industry groups and some recreation-sector organizations support the change, contending that the 2001 rule imposes a uniform management framework that limits flexibility across diverse forest landscapes. Supporters also emphasize that public recreation access should remain a priority alongside other forest uses.

In the background document issued by the Forest Service justifying the repeal, the agency referenced a statistic that 60% of the Roadless Areas in California have “a high or very-high wildfire hazard potential.” Additionally, roughly 35% of Inventoried Roadless Areas, or 10.2 million acres, fall within an area known as the wildland-urban interface—while another 4.8 million acres within one mile of it. In Southern California, significant portions of the Angels

N.F., San Bernardino N.F., and Cleveland N.F. are currently designated as Inventoried Roadless Areas.

Judicial/Courts

EPA Seeks To Sever Hazard Index PFAS Litigation, Stakeholders Broadly Oppose Motion

On February 19, 2026, the U.S. Environmental Protection Agency (EPA) asked the U.S. Court of Appeals for the D.C. Circuit to sever and stay challenges to the portions of its 2024 Safe Drinking Water Act (SDWA) rule regulating four “Hazard Index” PFAS. The agency argues that its pending proposal to eliminate the Hazard Index PFAS regulatory determinations and associated maximum contaminant levels (MCLs) will rescind those standards and moot the case.

The request follows a January 2026 denial by a D.C. Circuit motions panel of EPA’s motion to vacate the Hazard Index PFAS provisions, leaving the case to proceed on the merits. In the lawsuit, *American Water Works Association (AWWA), et al. v. EPA*, industry groups and water utilities are challenging the full rule. While EPA continues to defend the PFOA and PFOS limits, it now agrees with industry challengers that it erred procedurally in setting standards for the four Hazard Index PFAS—GenX chemicals, PFNA, PFHxS, and a novel Hazard Index limit for mixtures of any of these three plus PFBS.

Subsequent court filings indicate broad opposition to EPA’s motion from parties on both sides of the litigation. Water utilities argue that further delay would prolong regulatory uncertainty and compliance planning, while environmental interveners contend that the Hazard Index PFAS provisions are legally and technically intertwined with the rest of the rule and therefore cannot be cleanly separated for litigation.

Meanwhile, on February 24, 2026, EPA sent two proposed PFAS rules to the White House Office of Management and Budget (OMB) for review. These proposals would revise the 2024 PFAS drinking water standards by extending the compliance deadline for PFOA and PFOS from 2029 to 2031 and rescinding regulatory determinations and limits for the four Hazard Index PFAS. EPA has indicated it believes the Biden-era limits for those four Hazard Index PFAS were promulgated without required procedural steps under the SDWA. The OMB review, which typically lasts up to 90 days, delays final action and adds uncertainty

for states and water systems regarding which standards and compliance timelines will ultimately apply.

EPA argues that no party would be materially harmed given that key compliance deadlines—such as initial monitoring requirements—do not take effect until 2027. In a March 11, 2026 reply brief in support of severing and staying, the agency reiterated its position, and pushed back against the opposition’s arguments. The Court denied EPA’s motion to sever and stay the litigation on March 19, 2026.

The litigation is ongoing.



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Las Virgenes-Triunfo Joint Powers Authority Federal Grant Report

Bureau of Reclamation – WaterSMART Small-Scale Water Efficiency Projects

Program Details

The WaterSMART Small-Scale Water Efficiency Projects program provides funding for projects that conserve water and improve water supply reliability in existing water delivery systems. The program is designed to support the implementation of smaller-scale, high-impact projects identified through prior planning efforts, including canal lining, automation, and flow measurement. Applicants may submit multiple applications, provided project scopes are distinct and non-duplicative. Projects should not have a construction start date earlier than 12 months after the application deadline.

Grant Awards and Timeline

Awards are made on a competitive basis, with approximately \$4 million in total funding available. Individual awards range from a minimum of \$1,000 to a maximum of \$125,000, with an estimated 50 awards expected. **Applications are due by June 2, 2026.**

Cost Share and Matching Requirements

A non-federal cost share of at least 50% of total project costs is required.

Eligible Projects

Eligible projects include canal lining or piping; municipal metering; irrigation flow measurement; Supervisory Control and Data Acquisition (SCADA) systems and automation; and landscape irrigation efficiency measures.

Agency Point of Contact

Bureau of Reclamation

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Bureau of Reclamation – Applied Science Grants

Program Details

The Bureau of Reclamation Applied Science Grants program provides funding to improve access to and use of hydrologic data, enhance water management tools, and strengthen hydrologic modeling and forecasting capabilities. The program supports projects that advance data acquisition, analysis, and delivery, as well as the development of hydrologic databases.

Grant Awards and Timeline

Awards are made on a competitive basis, with approximately \$6 million in total funding available. Individual awards may be up to \$400,000, with an estimated 20 awards expected. **Applications for Deadline 1 are due by July 8, 2026, and for Deadline 2 by April 13, 2027.**

Cost Share and Matching Requirements

A non-federal cost share of at least 50% of total project costs is required.

Eligible Projects

Eligible projects include hydrologic data collection and analysis; development of water management and operational models; improvements to forecasting tools; snow monitoring enhancements; and creation or expansion of hydrologic data systems and databases.

Agency Point of Contact

Bureau of Reclamation

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Bureau of Reclamation – WaterSMART Drought Response Program

Program Details

The WaterSMART Drought Response Program provides funding for projects that enhance water supply reliability and build long-term drought resilience. The program prioritizes efforts that reduce dependence on emergency measures, such as water hauling, by improving water management flexibility and expanding supply options. Funding is divided into two categories: *Task A* (Infrastructure Projects), which support physical system improvements and new supply development, and *Task B* (Water Management and Planning Projects), which fund planning, modeling, and decision-support tools. Applicants may submit multiple applications, provided project scopes are distinct and non-duplicative. Projects must not begin construction until at least 12 months after the application deadline.

Grant Awards and Timeline

Awards are made on a competitive basis, with approximately \$13.5 million in total funding available. Individual awards range from \$25,000 to \$1.5 million, with an estimated 8 to 20 awards expected. Funding is divided into two groups: Funding Group I supports projects up to \$500,000, while Funding Group II supports projects up to \$1.5 million. **Applications are due by July 28, 2026.**

Cost Share and Matching Requirements

A non-federal cost share of at least 50% of total project costs is required.

Eligible Projects

Task A – Infrastructure Projects: System modifications or improvements; water storage and groundwater recharge; development of alternative water supply sources through treatment and reuse of surface or reclaimed water; and groundwater recovery and treatment projects.

Task B – Water Management and Planning Projects: Development of water management, water marketing, and modeling tools; and development or updates to drought contingency plans that improve water reliability through enhanced forecasting, mitigation planning, and response strategies.

Agency Point of Contact

Bureau of Reclamation

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March 2026 Bill Tracking Matrix

House of Representatives

Legislation	Summary	Last Action	JPA Delegation Cosponsors
H.R. 168 - Targeted Operations to Remove Catastrophic Hazards (TORCH) Act	This bill aims to reduce wildfire risks and restore forest health by streamlining forest management projects and removing regulatory delays. Key provisions include expanded wildfire recovery zones, vegetation removal near power lines, grazing initiatives to reduce fire hazards, and strengthened partnerships between federal, state, and local agencies. The bill prioritizes proactive, large-scale wildfire mitigation to protect rural communities and ecosystems.	04/04/2025 Referred to the Subcommittee on Forestry and Horticulture	
H.R. 178 - To require the Secretary of Agriculture to carry out activities to suppress wildfires, and for other purposes.	This bill requires the Secretary of Agriculture to engage in wildfire suppression and management activities that apply to Forest Service land within 24 hours of identifying a fire.	07/23/2025 Ordered to be Reported (Amended) by Voice Vote	
H.R. 204 - ACRES Act	This bill requires the Departments of Agriculture and the Interior to report annually on hazardous fuels reduction activities, detailing the number of federal acres treated and implementing standardized procedures for tracking and verifying data. It also mandates analysis of the effectiveness of these activities in reducing wildfire risk and distinguishes acres treated within and outside the wildland-urban interface. Additionally, the Government Accountability Office must study the bill's implementation and report findings to Congress.	03/04/2026 Committee on Energy and Natural Resources. Ordered to be reported without amendment favorably.	
H.R. 231 - Colorado River Basin System Conservation Extension Act	This bill would extend the System Conservation Pilot Program, which was created to test voluntary water conservation measures to manage severe drought in the Colorado River Basin. The legislation extends the current pilot program through 2026. <i>Companion bill of S.154.</i>	02/12/2025 Reported by Unanimous Consent by House Natural Resources	
H.R. 246 - SALT Fairness for Working Families Act	This bill increases the limit on the individual income tax deduction for certain state and local taxes, which is currently \$10,000 per year (\$5,000 for a married taxpayer filing a separate return). The bill increases the limit to \$15,000 (twice that amount in the case of a joint return).	01/09/2025 Referred to the House Committee on Ways and Means	
H.R. 337 - Groundwater Recharge Technical Assistance Act	This bill would provide \$3 million annually to support groundwater recharge projects. This would require the Secretary of the Interior to use unobligated funds under the Bipartisan Infrastructure Law Western Water funding for aquifer storage, clean drinking water, and flood protection efforts.	01/13/2025 Referred to the House Committee on Natural Resources	

H.R. 338 - Every Drop Counts Act	This bill would expand the Bipartisan Infrastructure Law's Small Storage Program by making it easier for groundwater recharge projects to qualify for funding, increase the amount of water they can store, and stabilize underground aquifers.	11/19/2025 Subcommittee Hearings Held	
H.R.345 - Fire Department Repayment Act	This bill would establish standard operating procedures for fire suppression costs agreements; reviews and modify fire suppression costs agreements as necessary; ensure the fire suppression costs agreements align with cooperative fire protection agreements; and expedites reviews of standard operating procedures.	07/23/2025 Ordered to be Reported (Amended) by Unanimous Consent	
H.R.430 - SALT Deductibility Act	This bill would eliminate the \$10,000 cap on the federal tax deduction for state and local taxes (SALT). The cap, which applies from 2018 through 2025, would otherwise expire in 2026.	01/15/2025 Referred to the House Committee on Ways and Means	Rep. Julia Brownley
H.R.435 - Direct Hire To Fight Fires	This bill would grant permanent direct-hire authority to the USDA and Department of the Interior to fill wildland firefighter and support roles more efficiently. It also requires both agencies to adopt policies that improve recruitment and retention, including easing transfers between agencies. Additionally, the bill mandates annual reports to Congress and the public on staffing needs, vacancies by state, and hiring challenges.	07/15/2025 Ordered to be Reported by Unanimous Consent	
H.R.471 Fix Our Forests Act	This bill aims to simplify and expedite environmental reviews for forest management projects in high-risk wildfire areas. It would also promote innovative technologies, modernize standards, and create a framework for research and development in wildfire and land management, while also providing financial assistance to communities and tribes. Additionally, the bill strengthens the Good Neighbor policy to include tribes, facilitating cooperative forest management among various agencies.	03/06/2025 Senate Committee on Agriculture, Nutrition, and Forestry Subcommittee on Conservation, Forestry, Natural Resources, and Biotechnology. Hearings held	Rep. George Whitesides
H.R.517 - Filing Relief for Natural Disasters Act	This bill would empower state and territory governors to extend federal tax filing deadlines during state-declared emergencies, providing relief without requiring federal disaster declarations. It also doubles the mandatory filing extension for federally-declared disasters from 60 to 120 days. <i>Companion bill of S. 132.</i>	07/24/2025 Became Public Law No: 119-29	
H.R.527 - Strengthening Wildfire Resiliency Through Satellites Act	This bill would direct the Secretary of the Interior to establish a competitive grant program to fund satellite-based wildfire monitoring, with at least three grants awarded for high-resolution imaging and data analysis. The bill authorizes appropriations of \$20 million annually from fiscal years 2026 to 2028 to support the program.	01/16/2025 Referred to the House Committee on Natural Resources	

H.R.528 - Post-Disaster Reforestation and Restoration Act	This bill would require the Secretary of the Interior to establish a program for reforestation and restoration of federal lands affected by unplanned disturbances. It involves identifying and prioritizing restoration projects, funding them through grants and contracts, and engaging stakeholders. The Secretary must also submit annual progress reports to Congress, focusing on funding needs, project status, and ecological restoration.	09/15/2025 Placed on the Union Calendar, Calendar No. 232	
H.R.550 - Wildfire Insurance Coverage Study Act	This bill would require the Government Accountability Office (GAO) to conduct a study on insurance coverage for damages caused by wildfires. The study will assess wildfire risk across the U.S., analyze trends in insurance coverage, and examine factors influencing rates and policy renewals. It will also evaluate the regulatory responses of state insurance agencies, including their actions to address increasing premiums and the availability of coverage.	01/16/2025 Referred to the House Committee on Financial Services	Rep. Brad Sherman
H.R.573 - Studying NEPA's Impact on Projects Act	The bill would require the Council on Environmental Quality (CEQ) to issue an annual report on the impacts of the National Environmental Policy Act (NEPA) on federal projects. The report must detail litigation trends, timelines, and costs associated with environmental reviews, as well as the length of environmental assessments and impact statements.	12/10/2025 Passed House and Received in the Senate and referred to the Committee on Environment and Public Works	
H.R.582 - Community Protection and Wildfire Resilience Act	This bill will empower communities to implement science-based methods for mitigating wildfire damage and provide funding to design and implement new Community Protection and Wildfire Resilience Plans with community members, first responders, and relevant state agencies.	01/21/2025 Referred to the Committee on Science, Space, and Technology, and in addition to the Committees on Natural Resources, and Agriculture	
H.R.605 - Headwaters Protection Act	This bill seeks to reauthorize and improve the Water Source Protection Program under the Healthy Forests Restoration Act of 2003. It aims to protect and restore watershed health, water supply and quality, municipal and agricultural water supply systems, and water-related infrastructure, as well as forest health from insect infestation, disease, or wildfire. The bill expands the scope to include "adjacent land" (non-Federal land within the same watershed as National Forest System land). <i>Companion bill of S.2701</i>	02/28/2025 Referred to the Subcommittee on Conservation, Research, and Biotechnology	
H.R.743 - Tim's Act	This bill aims to improve conditions for wildland firefighters by increasing their pay, offering rest and mental health leave, and expanding retirement and healthcare benefits. It includes housing stipends, tuition assistance, and unpaid family leave for those not covered by the Family and Medical Leave Act. The bill also calls for a national database to track job-related health risks and reduce harmful exposures.	03/07/2025 Referred to the Subcommittee on Forestry and Horticulture	Rep. Julia Brownley
H.R.766 - Surveilling Effluent Water for Epidemic Response (SEWER) Act	This bill would amend the Public Health Service Act to establish a national wastewater surveillance system. The bill directs the Secretary of Health and Human Services, through the CDC, to coordinate efforts to detect and monitor infectious diseases in wastewater, such as COVID-19, influenza, and other pathogens, for public health emergency preparedness. The bill also authorizes \$150 million in funding annually from 2025 to 2029 to support this initiative.	01/28/2025 Referred to the House Committee on Energy and Commerce	

H.R. 831 - Lower Colorado River Multi-Species Conservation Program Amendment Act	This bill would ensure that state contributions to conservation projects in the Lower Colorado River Basin are able to earn interest and grow before being allocated. It does this by establishing an interest-bearing account for state contributions to the LCR MSCP. <i>Companion bill of S.291.</i>	03/17/2026 Passed House and received in the Senate	
H.R.834 - Disaster Assistance Fairness Act	This bill would require FEMA to clear debris from homeowners associations and condominiums when state or local governments deem it a threat to safety or economic recovery. It also clarifies that FEMA should provide financial assistance for repairing essential common elements like roofs, HVAC systems, stairwells, plumbing, and electricity. <i>Companion bill of S.352.</i>	02/01/2025 Referred to the Subcommittee on Economic Development, Public Buildings, and Emergency Management	
H.R.836 - Emergency Wildfire Fighting Technology Act	This bill requires the Forest Service and the Department of the Interior to jointly evaluate the container aerial firefighting system, which uses airdrop-capable disposable containers of water or fire retardant to increase the number of airlift assets available for wildfire emergencies. The agencies must assess its effectiveness in mitigating and suppressing wildfires and report their findings to Congress.	02/06/2025 Received in the Senate and Read twice and referred to the Committee on Agriculture, Nutrition, and Forestry	Rep. George Whitesides
H.R.1235 - Federal Infrastructure Bank Act	This bill would create the Federal Infrastructure Bank and its parent entity, the Federal Infrastructure Bank Holding Company (FIBHC), to finance revenue-generating infrastructure projects through loans, equity investments, and guarantees—reserving at least 10% for rural areas. The bank is barred from funding projects tied to the Chinese government and will be overseen by the Federal Reserve. It also establishes a tax credit for early equity investors and includes financial safeguards like an Infrastructure Guarantee Fund.	02/12/2025 Referred to the Subcommittee on Highways and Transit	
H.R. 1267 - Water Systems PFAS Liability Protection Act	This bill would exempt water utilities from liability under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980 with respect to releases of perfluoroalkyl and polyfluoroalkyl substances (PFAS).	02/12/2025 Referred to the Committee on Energy and Commerce, and in addition to the Committee on Transportation and Infrastructure	
H.R. 1285 - Water Infrastructure Subcontractor and Taxpayer Protection Act	This bill seeks to ensure that federal water infrastructure projects stay on schedule and protect local communities and workers. It requires primary contractors on federally funded water projects to hold a surety bond, ensuring that local sponsors and subcontractors are compensated if the contractor defaults before the project is completed. <i>Companion bill of S. 570</i>	02/13/2025 Referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce	Rep. Julia Brownley
H.R.1356 - Mudslide Recovery Act	This bill directs the Departments of Interior and Homeland Security to launch a pilot grant program designed to help communities repair the extensive damage caused by mudflows.	02/13/2025 Referred to the Subcommittee on Economic Development, Public Buildings, and Emergency Management	Rep. Brad Sherman

H.R.1721 - Critical Infrastructure Manufacturing Feasibility Act	This bill would direct the Secretary of Commerce to study which high-demand critical infrastructure products are currently imported, assess the costs of domestic production, and evaluate the feasibility of manufacturing these goods in rural communities and industrial parks. The findings must be reported to Congress within 18 months of enactment. <i>Companion bill of S. 1872.</i>	04/29/2025 Received in the Senate and referred to the Committee on Commerce, Science, and Transportation	
H.R.1849 - Disaster Mitigation and Tax Parity Act	This bill would exempt rebates that homeowners receive for hardening their homes against natural disasters from federal taxes.	03/05/2025 Referred to the House Committee on Ways and Means	Rep. Julia Brownley
H.R.1871 - Water Conservation Rebate Tax Parity Act	This bill expands the tax exclusion for energy conservation subsidies provided by public utilities to include certain subsidies for water conservation or efficiency measures and storm water management measures. <i>Companion bill of S.857.</i>	03/05/2025 Referred to the House Committee on Ways and Means	
H.R.1894 - FISH Act	This bill gives the Fish and Wildlife Service (FWS) the sole authority to protect endangered or threatened species that are anadromous species (species of fish that spawn in fresh or estuarine waters and that migrate to ocean waters) or catadromous species (species of fish that spawn in ocean waters and migrate to fresh or estuarine waters). Currently, the FWS shares this authority with the National Marine Fisheries Service.	03/06/2025 Referred to the House Committee on Natural Resources	
H.R.1897 - ESA Amendments Act	This bill aims to improve the Endangered Species Act by clarifying definitions, focusing on species recovery, and streamlining permitting processes. It establishes flexible timelines for species listings, supports state-led recovery efforts, and reduces duplicative procedures. The Act also promotes accountability, improves regulatory certainty, and enhances the review process for species management.	12/17/2025 Markup held and reported out of committee 25-16	
H.R.1923 - Modernizing Wildfire Safety and Prevention Act	This bill aims to address the growing threat of large wildfires through firefighter recruitment and retention, updated response technology, and public health measures. It establishes training programs and benefits to support wildland firefighters, improves fire response with risk mapping and a new fire environment office, and creates a nationwide real-time air quality monitoring system.	03/06/2025 Referred to the Committee on Natural Resources, and in addition to the Committees on Agriculture, Education and Workforce, Oversight and Government Reform, Armed Services, Energy and Commerce, Science, Space, and Technology, Transportation and Infrastructure, and Small Business	
H.R.1938 - Department of Defense PFAS Discharge Prevention Act	This bill seeks to address PFAS contamination from military facilities by requiring updates to stormwater discharge permits. It directs the Secretary of Defense to request permit modifications to include quarterly monitoring of PFAS discharges and the implementation of best management practices to reduce contamination. Additionally, the bill allocates a portion of PFAS remediation funding to annual testing of stormwater runoff at Department of Defense facilities.	03/06/2025 Referred to the Committee on Armed Services, and in addition to the Committee on Transportation and Infrastructure	
H.R.1943 - Wildland Firefighter Paycheck Protection Act	This bill would establish special base pay rates for federal wildland firefighters, increasing their salaries across General Schedule grades. It also introduces premium pay for firefighters deployed to major incidents, provides rest and recuperation leave, and ensures continued funding for pay increases to address recruitment and retention challenges.	03/06/2025 Referred to the Committee on Oversight and Government Reform, and in addition to the Committees on Natural Resources, and Agriculture	Rep. George Whitesides



H.R. 2093 - To amend the Federal Water Pollution Control Act with respect to permitting terms	This bill would extend the maximum term for certain permits issued under the National Pollutant Discharge Elimination System (NPDES) program from 5 years, to 10.	03/14/2025 Referred to the House Committee on Transportation and Infrastructure	
H.R.2269 - WIPPES Act	This bill would require the Federal Trade Commission to issue regulations requiring certain products to have "Do Not Flush" labeling, and for other purposes. <i>Companion bill of S. 1092.</i>	06/23/2025 Passed House via suspension, received in the Senate	
H.R.2344 - Water ISAC Threat Protection Act	This bill would provide funding for clean water and wastewater utilities to become members of the Water Information Sharing and Analysis Center (WaterISAC). The WaterISAC is a critical source of information and best practices for water systems to protect against, mitigate, and respond to threats. <i>Companion bill of S. 1118.</i>	03/25/2025 Referred to the Subcommittee on Water Resources and Environment	
H.R.2594 - To establish a Water Risk and Resilience Organization to develop risk and resilience requirements for the water sector	This bill would establish the Water Risk and Resilience Organization (WRRO), a non-governmental entity certified by the EPA to develop cybersecurity risk and resilience requirements for water systems serving over 3,300 people. The WRRO will create and enforce cybersecurity standards, monitor compliance, and assess system vulnerabilities, while the EPA retains approval and oversight authority. The bill also authorizes \$10 million in funding and ensures coordination with state and federal rules without preempting state authority.	04/02/2025 Referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce	
H.R.2766 - Special District Fairness and Accessibility Act	This bill would create the first formal federal definition of "special district." The bill also directs the White House Office of Management and Budget (OMB) to provide guidance to federal agencies to recognize special districts as local governments, ensuring they have access to appropriate federal financial assistance. <i>Companion bill of S.2014.</i>	03/18/2026 Committee Consideration and Mark-up Session Held	Rep. Julia Brownley, Rep. George Whitesides
H.R.2940 - Advancing Water Reuse Act	This bill seeks to establish a new investment credit, specifically the "qualifying water reuse project credit." This proposed credit would equal 30 percent of the qualified investment for projects that install water recycling systems in industrial or manufacturing facilities, replace freshwater use with recycled water, or build municipal water recycling systems.	04/17/2025 Referred to the House Committee on Ways and Means	
H.R.3035 - Restoring WIFIA Eligibility Act	This bill would seek to ensure that if a project's funding is repaid entirely through non-federal revenue sources and the recipient is not a federal agency, then the assistance will be classified as non-federal for budgeting purposes under the Federal Credit Reform Act of 1990. This change is intended to expand access to WIFIA loans and loan guarantees by preventing federal classification from limiting support for state, local, and other non-federal infrastructure projects. <i>Companion bill of S.1760.</i>	04/28/2025 Referred to the Subcommittee on Water Resources and Environment	
H.R.3110 - PFAS-Free Procurement Act	This bill would prohibit the federal procurement of products containing perfluorooctane sulfonate or perfluorooctanoic acid—commonly known as PFAS—and facilitate the procurement of PFAS-free products.	04/30/2025 Referred to the House Committee on Oversight and Government Reform	



H.R.3158 - Help Hoover Dam Act	This bill would authorize the Bureau of Reclamation to access approximately \$50 million in long-stranded, unused funds from the Colorado River Dam Fund for operations, maintenance, and improvements at the Hoover Dam. It also allows Reclamation to partner with hydropower contractors to carry out authorized activities such as upgrades, clean-up efforts, and maintenance. <i>Companion bill of S.1570.</i>	05/01/2025 Read twice and referred to the Committee on Energy and Natural Resources	
H.R.3272 - COMPOST Act	This bill would add composting as a conservation practice for USDA conservation programs. Both the act of producing compost from organic waste and using compost on a farm would qualify as a conservation practice.	05/08/2025 Referred to the House Committee on Agriculture	Rep. Julia Brownley
H.R.3300 - Forest Protection and Wildland Firefighter Safety Act	This bill would exempt aerial fire retardant use from NPDES permits during wildfires.	05/08/2025 Referred to the Subcommittee on Water Resources and Environment	
H.R.3376 - Water Affordability, Transparency, Equity, and Reliability Act of 2025	This bill proposes a range of measures aimed at improving water quality and infrastructure across the country. Key provisions include efforts to address contaminants such as lead and PFAS, expanded grant support for low-income communities to help prevent water service shutoffs, and the creation of a \$35 billion annual trust fund to support water and sewer system upgrades. The legislation also includes workforce development components intended to create jobs in the communities where projects are implemented. <i>Companion bill of S. 1730</i>	05/13/2025 Referred to the Subcommittee on Water Resources and Environment	
H.R.3427 - Water Resources Technical Assistance Review Act	This bill would require the Comptroller General of the United States to review all clean water-related technical assistance authorities of the Environmental Protection Agency. <i>Companion bill of S.3317.</i>	09/16/2025 Received in the Senate and Read twice and referred to the Committee on Environment and Public Works	
H.R.3525 - Regulatory Accountability Act	This bill seeks to limit agency overreach by requiring new rules to be clearly tied to congressional authority, ending rulemaking via informal guidance, and strengthening transparency through public comment and data disclosure. It also reforms the Congressional Review Act and ensures courts independently review agency interpretations rather than deferring to them. <i>Companion bill of S. 1708.</i>	05/20/2025 Referred to the House Committee on the Judiciary	
H.R.3553 - BRUSH Fires Act	This bill would direct the Secretary of Agriculture to carry out a study with respect to the effectiveness of available wildfire mitigation methods in reducing the risk of wildfire and the severity of damages from wildfire in communities within or adjacent to shrubland ecosystems	02/10/2026 Subcommittee Hearings Held	Rep. Julia Brownley, Rep. George Whitesides

H.R.3717 - Golden Mussel Eradication and Control Act	This bill would amend the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 to specifically address the golden mussel, with a focus on the Sacramento-San Joaquin Delta. The bill authorizes \$15 million annually from FY26–FY30 to support research, demonstration programs, and competitive grants for prevention, monitoring, control, and eradication methods. It also requires the development of guidelines, early warning systems, and coordination among federal, state, and local entities to mitigate ecological and infrastructure impacts.	06/04/2025 Referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Natural Resources	
H.R.3816 - Weather Act Reauthorization	This bill seeks to enhance the accuracy and effectiveness of weather forecasting and emergency preparedness. It focuses on modernizing research programs, supporting development of advanced forecasting technologies, and improving communication of severe weather events. The legislation also expands NOAA's ability to work with private sector data providers and continues support for key public tools used in drought and soil moisture monitoring.	06/06/2025 Referred to the Committee on Science, Space, and Technology, and in addition to the Committees on Natural Resources, Energy and Commerce, and Foreign Affairs	
H.R. 3857 - Snow Water Supply Forecasting Reauthorization Act	This bill would amend the existing program to integrate advanced snowpack measurement and modeling techniques, including airborne laser altimetry and physics-based hydrologic models. The bill removes a prior reporting requirement, emphasizes improved real-time snow and water supply forecasts, and authorizes \$3 million annually for FY 2027 through 2031.	03/17/2026 Committee on Energy and Natural Resources Subcommittee on Water and Power hearings held	
H.R.3862 - Clean Water SRF Parity Act	This legislation would amend eligibility provisions for the Federal Water Pollution Control Act's Clean Water State Revolving Fund (CWSRF), so that private wastewater providers have the ability to benefit from the program's low-interest loans.	06/10/2025 Referred to the House Committee on Transportation and Infrastructure	
H.R.3888 - Water Quality Criteria Development and Transparency Act	This bill would require the EPA to use a public notice-and-comment process before finalizing new criteria, allowing input from communities, industries, and other stakeholders. The bill also allows for limited judicial review to help ensure that EPA decisions are transparent, legally justified, and within the agency's authority.	06/10/2025 Referred to the House Committee on Transportation and Infrastructure	
H.R.3892 - Financing Lead Out of Water (FLOW) Act	This bill would simplify the tax process for public water systems to use tax-exempt bonds for replacing private lead service lines by exempting these projects from the "business use test." This change reduces delays and costs caused by the current requirement to verify business operations at each affected residence. <i>Companion bill of S.2007.</i>	06/10/2025 Referred to the House Committee on Ways and Means	
H.R. 3897 - Confidence in Clean Water Permits Act	This bill seeks to clarify that permits issued under the National Pollutant Discharge Elimination System (NPDES) must include clear and specific pollutant limits. It affirms that permit holders are considered in compliance if they adhere to the terms of their permit, in line with the U.S. Supreme Court's decision in <i>San Francisco v. EPA</i> .	06/11/2025 Referred to the House Committee on Transportation and Infrastructure	

H.R. 3898 - Promoting Efficient Review for Modern Infrastructure Today (PERMIT) Act	Package of Clean Water Act (CWA) reform bills intended to streamline the federal permitting process for infrastructure projects, including energy and water initiatives. It sets timelines for agency reviews, encourages coordination between federal agencies, and allows the use of prior environmental analyses when new projects are substantially similar. The bill aims to make permitting more efficient while ensuring compliance with existing environmental laws such as NEPA and the Endangered Species Act.	12/15/2025 Passed House and Received in the Senate and referred to the Committee on Environment and Public Works	
H.R. 3899 - Clarifying Federal General Permits Act	This bill would authorize the EPA to issue general permits under the National Pollutant Discharge Elimination System (NPDES) and requires the agency to either renew these permits or provide at least two years' notice if a permit will not be renewed.	06/11/2025 Referred to the House Committee on Transportation and Infrastructure	
H.R. 3900 - Water Quality Technology Availability Act	This bill would require that any technology used to meet wastewater discharge standards under effluent limitation guidelines (ELGs) must be commercially available within the United States.	06/11/2025 Referred to the House Committee on Transportation and Infrastructure	
H.R.3902 - Restoring Federalism in Clean Water Permitting Act	This bill would direct the Administrator of the Environmental Protection Agency to review and evaluate current regulations governing the process by which states assume authority for issuing Section 404 Clean Water Act permits, with the goal of making the process more efficient and encouraging broader state participation. It also sets a 60-day limit for judicial review of the EPA's approval of state program assumptions.	06/11/2025 Referred to the House Committee on Transportation and Infrastructure	
H.R.3922 - Cross-Boundary Wildfire Solutions Act	This bill seeks to enhance the effectiveness and efficiency of wildfire mitigation efforts across different land ownerships by identifying gaps in existing federal policies and encouraging greater coordination among agencies and stakeholders. <i>Companion bill of S.2033.</i>	02/11/2026 Ordered to be Reported in the Nature of a Substitute (Amended) by Unanimous Consent	
H.R.3924 - Wildfire Risk Evaluation Act	This bill would direct the Secretary of Agriculture, the Secretary of the Interior, and the Secretary of Homeland Security to carry out a quadrennial fire review. The findings will be used to guide long-term strategies to improve wildfire preparedness, response, and coordination among federal agencies. <i>Companion bill of S.2039</i>	12/11/2025 Subcommittee Hearings Held	
H.R.3928 - Improving Water Quality Certifications and American Energy Infrastructure Act	This bill clarifies the scope and process of state water quality certifications under Section 401 of the Clean Water Act. It limits evaluations to the direct impacts of the federally licensed or permitted activity on water quality, not unrelated sources. The bill also establishes clearer procedures and timelines, including requiring states to provide written decisions based solely on water quality considerations and to notify applicants within 90 days if additional information is needed to process their request.	06/11/2025 Referred to the House Committee on Transportation and Infrastructure	

H.R.3934 - Water Quality Standards Attainability Act	This bill would require that water quality standards (WQS), developed by states and approved by the EPA, consider the feasibility of meeting those standards using commercially available treatment technologies. It also directs that long-term control plans for combined storm and sanitary sewer systems be taken into account during the standard-setting process.	06/11/2025 Referred to the House Committee on Transportation and Infrastructure	
H.R.3991 - Research for Healthy Soils Act	This legislation would authorize the U.S. Department of Agriculture to make grants available to study the incidence and impacts of microplastics and PFAS in biosolids on farmland. <i>Companion bill of S. 2500.</i>	06/12/2025 Referred to the House Committee on Agriculture	
H.R.4038 - Wildfire Response and Preparedness Act	This bill would create a 30-minute national standard response time to the extent practical to any wildland fire on federal land administered by the Secretaries of Agriculture and the Interior. <i>Companion bill of S.902.</i>	01/14/2026 Subcommittee Hearings Held	
H.R.4075 - Fire Weather Development Act	This bill would direct the Administrator of the National Oceanic and Atmospheric Administration (NOAA) to establish a program to improve fire weather and fire environment forecasting, detection, and delivery of products or services through collaboration with other Federal and State agencies or departments, local emergency managers, and relevant entities.	06/23/2025 Referred to the House Committee on Science, Space, and Technology	
H.R.4109 - Recycling and Composting Accountability Act	This bill would direct the Environmental Protection Agency (EPA) to improve data collection and transparency around recycling and composting infrastructure across the United States. It requires the EPA to collaborate with states, local governments, and tribes to assess and report on the current state of composting and recycling facilities, estimate participation and contamination rates, and evaluate access to these services. The bill mandates regular reporting on federal agency recycling performance, studies how recyclable materials are diverted from reuse markets, and encourages market development for recycled and composted materials	06/24/2025 Referred to the House Committee on Energy and Commerce	
H.R.4121 - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2026	This bill provides FY2026 appropriations for the Department of Agriculture (USDA), the Food and Drug Administration, and related agencies, including the following that manage or assist in recovery of wildfire damage: U.S. Forest Service (USFS) Natural Resources Conservation Service (NRCS) <i>House version of S.2256</i>	Signed 11/12/2025 Public Law 119-37	
H.R.4144 - Groundwater Rise and Infrastructure Preparedness Act	This bill would direct the U.S. Geological Survey (USGS) to map projected groundwater rise along the U.S. coastline through 2100 and assess its impacts on flooding risk and saltwater intrusion. The bill mandates the creation of public tools for planners and emergency managers and calls for a two-phase study, in collaboration with the National Academies, to evaluate how groundwater rise may affect infrastructure—such as roads, sewers, and building foundations—as well as public health risks, including contamination of drinking water and farmland.	06/25/2025 Referred to the House Committee on Natural Resources	

H.R.4168 - PFAS National Drinking Water Standard Act	This bill would codify the EPA's final PFAS National Primary Drinking Water Regulation, establishing enforceable maximum contaminant levels (MCLs) for six of the most hazardous PFAS chemicals, including PFOA and PFOS, in public drinking water systems.	06/26/2025 Referred to the House Committee on Energy and Commerce	
H.R.4181 - Wildfire Infrastructure and Landowner Tax Relief Act	This bill aims to encourage homeowners to invest in wildfire mitigation by offering targeted federal tax relief. It excludes from taxable income any government or nonprofit assistance used for hazardous fuel reduction or firefighting infrastructure on personal property, and allows an above-the-line tax deduction for out-of-pocket expenses related to wildfire prevention. The bill is designed to reduce financial barriers to proactive fire risk reduction and support community resilience.	06/26/2025 Referred to the House Committee on Ways and Means	
H.R.4192 - Military PFAS Transparency Act	This bill would require the Department of Defense to submit annual, site-specific reports on PFAS cleanup progress, funding, and challenges. It calls for improved, risk-based cleanup strategies and expanded lab testing capacity. The bill also mandates the creation of a public dashboard within one year to provide accessible, up-to-date information on PFAS cleanup efforts.	06/26/2025 Referred to the House Committee on Armed Services	
H.R.4213 - Department of Homeland Security Appropriations Act, 2026	This bill provides FY2026 appropriations for the Department of Homeland Security (DHS), including the relevant agencies and activities: Federal Emergency Management Agency (FEMA)	06/26/2025 Placed on the Union Calendar, Calendar No. 139	
H.R.4302 - Improving Atmospheric River Forecasts Act	This bill would require the National Oceanic and Atmospheric Administration (NOAA) to establish a forecast improvement program within the National Weather Service. <i>Companion bill of S.322.</i>	07/07/2025 Referred to the House Committee on Science, Space, and Technology	Rep. George Whitesides
H.R.4315 - National Infrastructure Investment Corporation (NIIC) Act	This bill would create a bank that would be authorized to provide loans and loan guarantees to local infrastructure projects, giving local governments another potential funding source in addition to support provided by the Bipartisan Infrastructure Law or other federal and state funding sources.	07/10/2025 Referred to the House Committee on Transportation and Infrastructure	
H.R.4466 - Cultivating Investment in Recycling and Circular Local Economies (CIRCLE) Act	This bill would create a 30% investment tax credit to encourage upgrades and expansion of recycling infrastructure in the U.S. This credit would gradually phase out over 10 years. Local governments could also receive direct rebates for their recycling investments.	07/16/2025 Referred to the House Committee on Ways and Means	



H.R.4486 - Microplastics Safety Act	This bill would direct the Food & Drug Administration to submit a report to Congress on the human health impacts of exposure to microplastics in food and water, focusing on risks to children's health, the endocrine system, and reproductive health, as well as associated risks related to cancer and chronic illnesses. <i>Companion bill of S.2353.</i>	07/17/2025 Referred to the House Committee on Energy and Commerce	
H.R.4503 - ePermit Act	This bill aims to improve environmental reviews and authorizations through the use of interactive, digital, and cloud-based platforms. This is intended to enhance coordination among Federal, State, and local agencies and project sponsors, make community engagement more accessible, and increase transparency by establishing robust data architectures and modern software solutions. The bill seeks to achieve these goals by developing data standards, prototype tools, and a unified interagency data system, including a common authorization portal. <i>Companion bill to S.3800.</i>	12/10/2025 Passed in House and Received in the Senate and referred to the Committee on Environment and Public Works	
H.R.4553 - Energy and Water Development and Related Agencies Appropriations Act, 2026	This bill provides FY2025 appropriations for U.S. Army Corps of Engineers civil works projects, the Department of the Interior's Bureau of Reclamation, the Department of Energy (DOE), and several independent agencies. <i>House version of S.3293.</i>	Signed 01/23/2026 Public Law 119-74	
H.R.4556 - Protect Our Treatment for Enamel, Erosion, and Tooth Health (TEETH) Act	This bill would require the Environmental Protection Agency (EPA) to consult and publish a rapid response evidence review by independent and nonpartisan experts at the National Academies of Sciences, Engineering, and Medicine (NASEM) when proposing new water fluoridation guidance.	07/21/2025 Referred to the House Committee on Energy and Commerce	
H.R.4669 - FEMA Act	This bill would restore FEMA as an independent Cabinet-level agency to lead disaster response more effectively. It would speed recovery by providing states with project-based grants, reducing bureaucracy, and encouraging mitigation investments. The bill would reform permitting and procurement, establish a Recovery Task Force to close old disaster cases, simplify aid applications, and improve communication with survivors. It would enhance pre-disaster mitigation, maintain state flexibility on building codes, prohibit political bias in aid, increase transparency, and mandate reviews to improve FEMA's policies and reduce fraud.	09/03/2025 Ordered to be Reported (Amended) by the Yeas and Nays: 57 - 3	
H.R.4733 - Low-Income Household Water Assistance Program Establishment Act	This bill would make permanent a national water assistance program by directing the Secretary of Health and Human Services to provide grants to states, territories, and tribes to help low-income households pay drinking water and wastewater bills. The program would align eligibility with existing federal assistance programs like LIHEAP, TANF, and SNAP, ensuring consistent income requirements. It would also provide technical support to small, rural, and Tribal water systems to improve service delivery.	07/23/2025 Referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce	Rep. Julia Brownley
H.R.4754 - Department of the Interior, Environment, and Related Agencies Appropriations Act, 2026	This bill provides FY2025 appropriations for the Department of the Interior, the Environmental Protection Agency (EPA), and several related agencies including the U.S. Fish and Wildlife Service, the U.S. Forest Service. <i>House version of S.2431.</i>	Signed 01/23/2026 Public Law 119-74	

H.R.4776 - SPEED Act	The bill proposes changes to the National Environmental Policy Act (NEPA) permitting process. It would establish shorter permitting timelines, modify requirements for environmental analyses, and define "Major Federal Action" to clarify when NEPA applies. The bill also includes provisions for judicial review of NEPA claims, such as a 150-day filing deadline, a revised standard of review, and limits on certain procedural measures that can delay projects. <i>Counterpart bill to S.3224</i>	12/18/2025 Passed House 221-196	
H.R.4903 - Plastic Health Research Act	This bill establishes a comprehensive federal research program on plastic exposure health effects, covering macro-, micro-, and nanoplastics. It authorizes grants for research entities, creates "Centers of Excellence for Plastic Exposure Health Research," and requires annual congressional reporting. The legislation appropriates \$10 million annually from 2026-2030 for each program section, prioritizing improved research methodologies and addressing knowledge gaps in plastic-related health impacts. RetryClaude can make mistakes. Please double-check responses.	08/05/2025 Referred to the House Committee on Energy and Commerce	
H.R.4961 - Public Utility Remediation and Enhancement for Water Act	This bill aims to establish a grant program administered by the Environmental Protection Agency (EPA) to help publicly owned treatment works comply with requirements for treating emerging contaminants, PFAS. The legislation authorizes \$200,000,000 for each of the fiscal years 2026 through 2028 to fund these efforts.	08/12/2025 Referred to the House Committee on Transportation and Infrastructure	
H.R.5002 - Protect Americans from Climate Disasters Act	This bill seeks to reinstate all employees and programs at the National Oceanic and Atmospheric Administration (NOAA) that assist communities in preparing for and mitigating damage from extreme weather events. This includes ensuring the National Weather Service, is fully staffed.	08/19/2025 Referred to the Committee on Natural Resources, and in addition to the Committee on Science, Space, and Technology	
H.R.5072 - Water Crisis Prevention Act	This bill seeks to require the Comptroller General of the United States to conduct a review concerning existing Federal Emergency Management Agency (FEMA) funding available to States, localities, individuals, and small businesses after water infrastructure failures. Upon completing this review, the Comptroller General will submit a report to Congress with recommendations for identifying high-risk areas and providing funding to mitigate future water infrastructure disasters.	08/29/2025 Referred to the House Committee on Transportation and Infrastructure	
H.R.5078 - PILLAR Act	The bill would reauthorize the State and Local Cybersecurity Grant Program for ten years, maintaining a 60% federal cost share for single entities and 70% for multi-entity groups. It offers a 5% bonus in federal cost share for adopting multi-factor authentication by FY2028. The Act broadens coverage to include operational technology, promotes responsible AI use, prioritizes outreach to small communities, and requires state and local entities to plan for sustaining cybersecurity investments long term.	11/18/2025 Received in the Senate and referred to the Committee on Homeland Security and Governmental Affairs	
H.R.5089 - Weather Act Reauthorization Act	This bill seeks to reauthorize and amend the 2017 Weather Research and Forecasting Innovation Act to enhance NOAA's weather research and forecasting capabilities. The legislation focuses on improving public safety through better tornado, hurricane, and tsunami warnings while investing in AI, high-performance computing, and modernized radar systems. It also expands commercial weather data partnerships and provides specialized forecasting services for agriculture and water management.	09/10/2025 Ordered to be Reported (Amended) by Voice Vote	Rep. George Whitesides

H.R.5166 - Financial Services and General Government Appropriations Act, 2026	This bill provides FY2026 funding for the Department of the Treasury, the Executive Office of the President, the judiciary, the District of Columbia, and several independent agencies. <i>House version of S.3290.</i>	Signed 02/03/2026 Public Law 119-75	
H.R.5342 - Commerce, Justice, Science, and Related Agencies Appropriations Act, 2026	This bill provides FY2025 appropriations to the Department of Commerce, the Department of Justice (DOJ), the science agencies, and several related agencies. Within that includes the National Oceanic and Atmospheric Administration (NOAA). <i>House version of S.2354.</i>	Signed 01/23/2026 Public Law 119-74	
H.R.5513 - Water Infrastructure Resiliency Act	This bill seeks to expand eligibility for additional subsidization for various technological investments. Specifically, the amendment targets processes, materials, techniques, and technology—including asset management software and advanced construction systems—used to meet goals related to water-efficiency, energy-efficiency, and stormwater runoff mitigation.	09/20/2025 Referred to the Subcommittee on Water Resources and Environment	
H.R.5566 - Water Infrastructure Resilience and Sustainability Act	The legislation would reauthorize the following three water infrastructure resilience programs for five years (Fiscal Year 2027-2031), at current authorization levels: Drinking Water System Infrastructure Resilience and Sustainability Program Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program Clean Water Infrastructure Resiliency and Sustainability Program <i>Companion bill to S.3590.</i>	09/26/2025 Referred to the Committee on Energy and Commerce, and in addition to the Committee on Transportation and Infrastructure	
H.R.5610 - Improving Drought Monitoring Act	This bill would extend the Drought Monitor program through 2030, create an interagency working group to improve data consistency and reliability, and require coordination between the Farm Service Agency and Forest Service. The group must develop better data methods and report recommendations to Congress within a year.	09/26/2025 Referred to the House Committee on Agriculture	
H.R.5652 - Wildfire Recovery Act	This bill would amend the Stafford Act to guarantee that the federal government covers at least 75% of eligible fire management assistance costs. It directs FEMA to establish, within three years, criteria for raising the federal cost share based on the financial burden to state and local governments. The bill also requires FEMA to update its policies to reimburse governments for the predeployment of firefighting assets in anticipation of wildfires.	09/30/2025 Referred to the House Committee on Transportation and Infrastructure	
H.R.5661 - Water Preservation and Affordability Act	This bill would amend the Federal Water Pollution Control Act to promote “resource preservation techniques” such as water and energy efficiency and stormwater mitigation. It requires their use in funded projects and increases funding for wastewater efficiency and clean water resiliency programs through FY2031.	09/30/2025 Referred to the House Committee on Transportation and Infrastructure	

H.R.5730 - Sewer Overflow and Stormwater Reuse Grant Reauthorization Act	This bill would reauthorize federal funding for the Sewer Overflow and Stormwater Reuse Municipal Grants Program under the Federal Water Pollution Control Act. The bill updates the program's authorization to provide \$350 million annually for fiscal years 2026 through 2031.	10/10/2025 Referred to the House Committee on Transportation and Infrastructure	
H.R.5823 - Watershed Protection and Forest Recovery Act	This bill would authorize the Secretary of Agriculture to carry out emergency watershed protection measures on National Forest System (NFS) land by establishing the "Emergency Forest Watershed Program". These measures are defined as actions necessary for runoff retardation, soil-erosion prevention, and flood mitigation resulting from a natural disaster or natural occurrence that causes sudden impairment to natural resources on NFS land.	10/24/2025 Referred to the House Committee on Agriculture	
H.R.5833 - Clean Water Affordability Act	This bill would update the Federal Water Pollution Control Act to expand and clarify how states can provide additional financial assistance through their Clean Water State Revolving Funds (CWSRF). The bill raises the cap on how much of a state's annual federal capitalization grant can be used for subsidization—such as grants, negative-interest loans, or principal forgiveness—to the greater of 50% of that grant or the state's 10-year average of excess state contributions. It also requires states to use at least 20% of their federal grant for subsidization if there are eligible applications.	10/24/2025 Referred to the House Committee on Transportation and Infrastructure	
H.R.5834 - Critical Water Supplies for Resilient Communities Act	This bill seeks to modernize and extend the federal program that funds alternative water source projects. The bill removes the "pilot program" designation and converts it into a full grant authority, while updating the definition of "critical water supply needs" to focus on publicly informed local, regional, or statewide water supply and drought-resilience planning. It also requires EPA to submit annual reports to Congress detailing funded projects and how they meet identified water supply challenges. Finally, the bill extends the program's authorization through 2031.	10/24/2025 Referred to the House Committee on Transportation and Infrastructure	
H.R.5846 - Solid Waste Infrastructure for Recycling Grant Program Reauthorization Act	This bill would reauthorize funding for the Solid Waste Infrastructure for Recycling Grant Program. Specifically, the legislation amends the Save Our Seas 2.0 Act to allocate \$65,000,000 annually for the program from fiscal years 2027 through 2036.	10/28/2025 Referred to the House Committee on Transportation and Infrastructure	
H.R.5868 - Water Cybersecurity Enhancement Act	This bill seeks to address the growing threat of cyberattacks against public water systems. Specifically, the legislation seeks to provide grants under the Drinking Water Infrastructure Risk and Resilience Program to fund training programs and materials. These new provisions would support public water systems in protecting themselves from and effectively responding to cyberattacks, extending the program's authorization from 2026 through 2031.	10/28/2025 Referred to the House Committee on Energy and Commerce	

H.R.6075 - Water Infrastructure Modernization Act	This bill would amend the Federal Water Pollution Control Act to modernize water infrastructure by defining “intelligent water infrastructure technology,” including real-time monitoring, AI-driven optimization, predictive maintenance, and advanced digital design tools, and by reauthorizing the alternative water source pilot program while doubling authorized funding to \$50 million through 2028.	11/18/2025 Referred to the House Committee on Transportation and Infrastructure	
H.R.6090 - FRESHER Act	This bill would amend the Federal Water Pollution Control Act, directing the Interior Secretary to study the environmental impacts of stormwater runoff from oil and gas operations, with findings due to Congress within one year.	11/18/2025 Referred to the House Committee on Transportation and Infrastructure	Rep. Brad Sherman
H.R.6094 - Fire Innovation Unit Act	This bill would establish a seven-year public-private wildfire technology pilot, led jointly by the Agriculture and Interior Departments, to test and deploy innovative prevention, detection, and mitigation technologies, with participating agencies and partners defined and annual reports to Congress required. <i>Companion bill of S.3190.</i>	11/18/2025 Referred to the Committee on Natural Resources, and in addition to the Committees on Agriculture, and Science, Space, and Technology	
H.R.6116 - Safe Hydration is an American Right in Energy Development Act	This bill would require testing and public reporting of underground drinking water sources before, during, and after hydraulic fracturing operations, prohibit injection without compliance, and direct EPA to maintain a public database, with an exemption where no drinking water source exists within one mile of a site.	11/18/2025 Referred to the House Committee on Energy and Commerce	Rep. Brad Sherman
H.R.6163 - Determination of NEPA Adequacy Streamlining Act	This bill would allow federal agencies to rely on prior environmental reviews for new projects deemed substantially the same, or to modify existing documents to meet NEPA requirements when they are not.	11/19/2025 Referred to the House Committee on Natural Resources	
H.R.6204 - Large-Scale Water Recycling Reauthorization Act	This bill would reauthorize the Large-Scale Water Recycling by an additional 5 years. <i>Companion bill to S.3693.</i>	11/20/2025 Referred to the House Committee on Natural Resources	
H.R.6229 - Water Infrastructure Finance and Innovation Act Amendments of 2025	This bill would reauthorize the WIFIA program and update it to better support small and rural communities by defining “small community” as those with populations under 25,000 and requiring expanded outreach and technical assistance, including engineering and financial planning support. The bill authorizes the use of collaborative project delivery methods such as design-build and construction management at-risk, directs a study on their effectiveness, reauthorizes Corps of Engineers Water Infrastructure Financing funding of \$68 million for EPA and \$15 million for the Army Corps through FY 2029, and extends secured loan maturities to up to 55 years for projects with useful lives exceeding 35 years.	11/20/2025 Referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce	

H.R.6279 - Urban Canal Modernization Act	This bill would amend the Omnibus Public Land Management Act of 2009 to authorize certain extraordinary operation and maintenance work specifically for "urban canals of concern". An "urban canal of concern" is defined as a transferred works or segment that, if it were to fail, would result in an estimated at-risk population exceeding 100 individuals, and which the Secretary of the Interior determines to be an urban canal reach. The bill authorizes the Secretary or the transferred works operating entity to carry out necessary extraordinary operation and maintenance work on these canals. <i>Companion bill of S.2753.</i>	11/21/2025 Referred to the House Committee on Natural Resources	
H.R.6626 - PFAS Accountability Act	This bill would amend the Toxic Substances Control Act to establish a federal cause of action for individuals significantly exposed to PFAS, require medical monitoring at the expense of responsible manufacturers, and provide detailed provisions for claims, including presumptions of exposure for individual and class-action plaintiffs, while preserving state-law remedies. <i>Companion bill to S.3460.</i>	12/11/2025 Referred to the Committee on Energy and Commerce, and in addition to the Committee on the Judiciary	
H.R.6639 - Water Agency and Transparency Enhancement Review (WATER) Act	This bill would codify parts of Executive Order 14181 to streamline water resources and disaster-response efforts in California. Specifically, the bill would create interagency coordination at the federal level to address permitting obstacles for water projects, with a focus on the National Environmental Policy Act (NEPA) and the Endangered Species Act (ESA). It directs the Secretaries of the Interior and Commerce to identify major surface and groundwater projects, assign compliance officials, and propose changes to regulations or procedures that "unduly burden" these projects by causing unnecessary delays, costs, or obstacles.	12/11/2025 Referred to the House Committee on Natural Resources	
H.R.6640 - Build Now Act	This bill would streamline environmental reviews for Central Valley Project (CVP) enhancement projects by requiring completion within one year of permit submission. The bill defines "CVP enhancement project" and clarifies that "environmental review" includes NEPA and ESA Section 7 compliance. If the deadline is missed, the agency must either grant an extension with the applicant's consent or deny the permit	12/11/2025 Referred to the House Committee on Natural Resources	
H.R.6641 - Central Valley Water Solution Act	This bill would provide financial and technical support for over 20 water infrastructure projects in California's Central Valley, including groundwater banking, recharge basins, reverse osmosis plants, and canal subsidence correction. Most funding would be non-reimbursable and exempt from matching requirements, but projects must comply with environmental laws and coordinate with tribes and state agencies.	12/11/2025 Referred to the House Committee on Natural Resource	
H.R.6667 - PFAS Research and Development Reauthorization Act	This bill would reauthorize EPA's research and development authority on PFAS through 2030. The bill extends funding for projects measuring PFAS in air and water, studying human health impacts, and mitigating environmental contamination.	12/11/2025 Referred to the Committee on Energy and Commerce, and in addition to the Committees on Science, Space, and Technology	

H.R.6668 - Clean Water Standards for PFAS Act	This bill would require EPA to develop Clean Water Act water quality criteria for all measurable PFAS or PFAS classes within three years and establish effluent limitations guidelines (ELGs) for eight priority industry categories. The bill mandates immediate PFAS monitoring for three additional industries—Pulp, Paper, and Paperboard; Airports; and Electrical and Electronic Components—with a determination on ELG standards by December 31, 2026. It also requires EPA to promulgate Method 1633 by January 31, 2026, authorizes \$1 billion from FY 2026–2030 to help publicly owned treatment works address PFAS contamination, and provides \$12 million annually over the same period to support EPA implementation. <i>Companion bill of S.3457.</i>	12/11/2025 Referred to the House Committee on Transportation and Infrastructure	
H.R.6669 - No Taxation on PFAS Remediation Act	This bill would amend the Internal Revenue Code to exclude from federal income tax any reimbursements individuals receive for cleaning up PFAS contamination, particularly in communities without municipal water service. The bill also extends the statute of limitations for related credits or refunds and applies retroactively to reimbursements made in taxable years beginning after December 31, 2020	12/11/2025 Referred to the House Committee on Ways and Means	
H.R.6984 - Data Center Transparency Act	This bill would require data centers to report on their environmental impacts, including water use, recycling practices, and greenhouse gas and pollutant emissions. The EPA would provide quarterly updates, while the Energy Information Administration would track electricity consumption and effects on residential utility costs.	01/08/2026 Referred to the House Committee on Energy and Commerce	
H.R.6990 - PROTECT Act	This bill would require the EPA to classify all PFAS chemicals as hazardous air pollutants within 180 days and, within one year, identify and regulate industrial sources of emissions.	01/08/2026 Referred to the House Committee on Energy and Commerce	
H.R.7376 - Local Water Protection Act	This bill would reauthorize \$200 million annually for the voluntary grant fund to give local and state governments the flexibility to make conservation improvements aimed at decreasing water pollutants through partnerships within their communities.	02/11/2026 Ordered to be Reported by Voice Vote	
H.R.7461 - FEMA Accountability Act	This bill would increase transparency in disaster funding by requiring FEMA to submit monthly reports to Congress on the status of the Disaster Relief Fund. These reports must detail spending, unobligated balances, and delayed projects, follow standardized data formats, and be publicly posted online within ten days to improve oversight and accessibility.	02/10/2026 Referred to the House Committee on Transportation and Infrastructure	
H.R.7543 - Plastic Pellet Free Waters Act	This bill would require the Environmental Protection Agency to establish regulations prohibiting the discharge of plastic pellets into waterways. The bill directs EPA to incorporate zero-discharge standards into federal and state wastewater and stormwater permits for manufacturers, processors, and transporters of pre-production plastics, aiming to prevent spills and runoff that contribute to microplastic pollution and protect water quality.	02/12/2026 Referred to the House Committee on Transportation and Infrastructure	
H.R.7567 - Farm, Food, and National Security Act of 2026	This is the 2026 iteration of the Farm Bill, which would reauthorize and modify Department of Agriculture programs through FY2031.	03/04/2026 Ordered to be Reported (Amended) by the Yeas and Nays: 34 - 17	

H.R.7845 - DROUGHT Act	This bill would increase flexibility under the WIFIA program by allowing certain high-priority projects—such as those in extreme drought areas, low-income communities, or of regional or national significance—to receive up to 90 percent federal financing, up from the current 80 percent cap. The bill also prioritizes these projects for funding while maintaining existing loan repayment terms, timelines, and interest rates.	03/05/2026 Referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce	
H.R.7889 - Advancing Water Research and Collaboration Act	This bill would reauthorize the Water Resources Research Act (WRRRA) from Fiscal Year 2026 through Fiscal Year 2029 and increase the appropriations authorization for the program from \$15 million to \$16 million per year. The Water Resources Research Act of 1984, established a network of Water Resources Research Institutes (WRRIs) in each state that work to address state & regional water challenges with federal funds.	03/09/2026 Referred to the House Committee on Natural Resources	Rep. Julia Brownley
Senate			
Legislation	Summary	Last Action	JPA Delegation Cosponsors
S.77 - The Early Participation in Regulations Act	This bill would mandate that federal agencies provide an advance notice of proposed rule making for “major rules,” which have significant economic or regulatory impact to encourage early public input.	01/13/2025 Read twice and referred to the Committee on Homeland Security and Governmental Affairs	
S.91 - Western Wildfire Support Act	The bill mandates the USDA and Department of the Interior to establish spatial fire management plans by FY2026. It creates Treasury accounts for wildfire funding, programs for training volunteer firefighters, grants for slip-on tank units, the Theodore Roosevelt Genius Prize for invasive species management, and a related advisory board. The Department of Defense must reimburse wildfire suppression costs caused by its activities, and the Joint Fire Science Program will advance drone research for firefighting. It also requires disaster preparedness programs to include post-fire assistance and authorizes FEMA to fund state-operated websites for post-fire recovery resources.	12/02/2025 Committee on Energy and Natural Resources Subcommittee on Public Lands, Forests, and Mining. Hearings held	
S.120 - Disaster Housing Reform for American Families Act	Under current law, FEMA provides mobile homes as temporary housing for disaster victims for up to 18 months. This bill would expand this by allowing victims to transition into disaster-resilient single-family homes with four units or less, designed to resemble affordable housing and meet federal standards for quality, flood management, and disaster resilience. After victims return to permanent homes, these properties would be repurposed as long-term affordable housing through local public housing agencies or private programs.	01/16/2025 Read twice and referred to the Committee on Homeland Security and Governmental Affairs	Sen. Alex Padilla
S.132 - Filing Relief for Natural Disasters Act	This bill would empower state and territory governors to extend federal tax filing deadlines during state-declared emergencies, providing relief without requiring federal disaster declarations. It also doubles the mandatory filing extension for federally-declared disasters from 60 to 120 days. <i>Companion bill of H.R. 517.</i>	01/16/2025 Read twice and referred to the Committee on Finance	

S.133 - Fire Suppression and Response Funding Assurance Act	This bill would help ensure that state and local fire suppression resources pre-deployed for wildfires qualify for FEMA's Fire Management Assistance Grants (FMAG). It also allows flexibility to increase the federal cost share above the current 75% limit during extreme events. While the bill doesn't require a higher federal cost share, it permits adjustments for consecutive fires or severe circumstances, providing greater support for wildfire response efforts.	01/16/2025 Read twice and referred to the Committee on Homeland Security and Governmental Affairs	Sen. Alex Padilla, Sen. Adam Schiff
S. 135 - Wildland Firefighter Paycheck Protection Act	This bill seeks to prevent attrition and ensure workforce stability by making permanent pay increases for wildland firefighters, introducing a dedicated pay scale, and providing additional pay for fire deployments and prolonged incidents. It also directs agencies to align work-life balance policies and improve rest and recuperation measures to reduce burnout.	01/16/2025 Read twice and referred to the Committee on Homeland Security and Governmental Affairs	Sen. Alex Padilla, Sen. Adam Schiff
S.140 - Wildfire Prevention Act	This bill would streamline environmental processes for removing hazard trees near forest roads, trails, and power lines to reduce fire risks. It also directs land management agencies to use livestock grazing for vegetation management and establishes a pilot program to promote new technologies in wildfire prevention, detection, communication, and mitigation.	12/02/2025 Committee on Energy and Natural Resources Subcommittee on Public Lands, Forests, and Mining. Hearings held	
S.154 - Colorado River Basin System Conservation Extension Act	This bill would extend the System Conservation Pilot Program, which was created to test voluntary water conservation measures to manage severe drought in the Colorado River Basin. The legislation extends the current pilot program through 2026. <i>Companion bill to H.R. 231.</i>	06/23/2025 Held at the desk in House	
S.291 - Lower Colorado River Multi-Species Conservation Program Amendment Act	This bill would ensure that state contributions to conservation projects in the Lower Colorado River Basin are able to earn interest and grow before being allocated. It does this by establishing an interest-bearing account for state contributions to the LCR MSCP. <i>Companion bill to H.R. 831.</i>	02/04/2026 Committee on Energy and Natural Resources. Ordered to be reported without amendment favorably	Sen. Alex Padilla, Sen. Adam Schiff
S.306 - Fire Ready Nation Act	This bill would establish an official Fire Weather Services Program within NOAA to enhance wildfire response. It funds research and new technology to improve fire forecasts and creates a Fire Weather Testbed to develop advanced firefighting tools, including unmanned aircraft for data collection. The bill also facilitates data sharing across federal agencies to improve coordination and codifies the Incident Meteorologist Service, ensuring IMET forecasters continue supporting emergency responders while receiving fair compensation for extended deployments.	09/11/2025 Held at the desk in House	Sen. Alex Padilla
S.322 - Improving Atmospheric River Forecasts Act	This bill would require the National Oceanic and Atmospheric Administration (NOAA) to establish a forecast improvement program within the National Weather Service. <i>Companion bill of H.R.4302.</i>	01/29/2025 Read twice and referred to the Committee on Commerce, Science, and Transportation	Sen. Alex Padilla

S.350 - Wildfire Emergency Act	This bill would grant the U.S. Forest Service pilot authority to use private financing to expand up to 20 forest restoration projects. It funds workforce development for forest conservation and wildland firefighting and establishes a DOE energy resilience program to keep critical facilities operational during wildfires. The bill expands DOE weatherization grants, providing up to \$13,000 for low-income households to install wildfire-resistant upgrades. It also accelerates wildfire detection efforts, creates a prescribed fire-training center in the West, and authorizes \$50 million for community land stewardship grants.	07/17/2025 Referred to the Committee on Agriculture, Nutrition, and Forestry	Sen. Alex Padilla
S. 352 - Disaster Assistance Fairness Act	This bill would require FEMA to clear debris from homeowners associations and condominiums when state or local governments deem it a threat to safety or economic recovery. It also clarifies that FEMA should provide financial assistance for repairing essential common elements like roofs, HVAC systems, stairwells, plumbing, and electricity. <i>Companion bill of H.R. 834.</i>	01/30/2025 Read twice and referred to the Committee on Homeland Security and Governmental Affairs	
S. 453 - Wildfire Intelligence Collaboration and Coordination Act	This bill would create a national Wildfire Intelligence Center to improve the federal response to wildfires. The center, established through a collaboration between the Department of Agriculture, Department of Commerce, and Department of the Interior, would streamline coordination and facilitate information sharing across federal and state agencies, tribal entities, academia, and the private sector.	02/06/2025 Read twice and referred to the Committee on Agriculture, Nutrition, and Forestry	Sen. Alex Padilla
S.570 - Water Infrastructure Subcontractor and Taxpayer Protection Act	This bill seeks to ensure that federal water infrastructure projects stay on schedule and protect local communities and workers. It requires primary contractors on federally funded water projects to hold a surety bond, ensuring that local sponsors and subcontractors are compensated if the contractor defaults before the project is completed. <i>Companion bill of H.R. 1285.</i>	02/13/2025 Read twice and referred to the Committee on Environment and Public Works	
S.647 - Regional Leadership in Wildland Fire Research Act	This bill would create regional research centers at universities nationwide to advance wildfire mitigation and research. These centers would develop fire and vegetation models and technologies tailored to their regions. A National Center Coordination Board would oversee their work, while Regional Advisory Boards, including wildfire agencies and Tribal and state governments, would provide guidance.	02/20/2025 Read twice and referred to the Committee on Commerce, Science, and Transportation	Sen. Alex Padilla
S.857 - Water Conservation Rebate Tax Parity Act	This bill expands the tax exclusion for energy conservation subsidies provided by public utilities to include certain subsidies for water conservation or efficiency measures and storm water management measures. <i>Companion bill of H.R.1871.</i>	03/05/2025 Read twice and referred to the Committee on Finance	Sen. Alex Padilla, Sen. Adam Schiff
S.861 - Disaster Assistance Simplification Act	This bill would require the Federal Emergency Management Agency (FEMA) to establish a universal application across federal agencies for disaster survivors who are seeking federal assistance to recover from hurricanes, floods, wildfires, and other natural disasters.	11/07/2025 Placed on Senate Legislative Calendar under General Orders. Calendar No. 264	

S.902 - Wildfire Response and Preparedness Act	This bill would create a 30-minute national standard response time to the extent practical to any wildland fire on federal land administered by the Secretaries of Agriculture and the Interior. <i>Companion bill of H.R.4038.</i>	12/02/2025 Committee on Energy and Natural Resources Subcommittee on Public Lands, Forests, and Mining. Hearings held	
S.1092 - WIPPES Act	This bill would require the Federal Trade Commission to issue regulations requiring certain products to have "Do Not Flush" labeling, and for other purposes. <i>Companion bill of H.R.2269.</i>	09/19/2025 Placed on Senate Legislative Calendar under General Orders. Calendar No. 166	Sen. Alex Padilla
S.1118 - Water ISAC Threat Protection Act	This bill would provide funding for clean water and wastewater utilities to become members of the Water Information Sharing and Analysis Center (WaterISAC). The WaterISAC is a critical source of information and best practices for water systems to protect against, mitigate, and respond to threats. <i>Companion bill of H.R.2344</i>	03/25/2025 Read twice and referred to the Committee on Environment and Public Works	
S.1462 - Fix Our Forests Act	This bill aims to simplify and expedite environmental reviews for forest management projects in high-risk wildfire areas. It would also promote innovative technologies, modernize standards, and create a framework for research and development in wildfire and land management, while also providing financial assistance to communities and tribes. Additionally, the bill strengthens the Good Neighbor policy to include tribes, facilitating cooperative forest management among various agencies. <i>Companion bill of H.R. 471.</i>	10/27/2025 Placed on Senate Legislative Calendar under General Orders. Calendar No. 212	Sen. Alex Padilla
S.1480 - American Infrastructure Bonds Act	This bill aims to assist state and local governments finance infrastructure projects. It proposes the creation of a taxable, direct-pay bond program, which would give governments more affordable borrowing options—especially important for rural communities facing high interest rates.	04/10/2025 Read twice and referred to the Committee on Finance	
S.1481 - LOCAL Infrastructure Act	This bill seeks to help state and local governments save money by reinstating a financial tool known as advance refunding. This tool allows governments to refinance existing tax-exempt municipal bonds at lower interest rates when market conditions improve—similar to refinancing a mortgage. Advance refunding was previously a common way for governments to reduce borrowing costs and free up funds for local projects like schools, hospitals, and infrastructure. However, it was repealed in 2017. The bill would amend the tax code to restore this option.	04/10/2025 Read twice and referred to the Committee on Finance	
S.1484 - FORECAST Act	This bill would aim to strengthen the United States' ability to predict extreme weather events weeks to years in advance by enhancing NOAA's subseasonal-to-seasonal (S2S) forecasting capabilities. The bill appropriates \$28.5 million for FY 2026 and 2027, along with additional funds as needed, to improve data models, computing infrastructure, and collaboration with research institutions. It also establishes a workforce development program to train experts in advanced forecasting technologies like AI, machine learning, and high-performance computing	04/10/2025 Read twice and referred to the Committee on Commerce, Science, and Transportation	Sen. Alex Padilla

S.1523 - Water Research Optimization Act	This bill would seek to modernize and streamline hydrological forecasting within the National Weather Service by placing all 13 River Forecast Centers under the oversight of the Office of Water Protection. The bill also formally designates the National Water Center (NWC)—located at the University of Alabama—as NOAA’s lead hub for coordinating water-related operational research and activities across federal agencies.	10/21/2025 Placed on Senate Legislative Calendar under General Orders. Calendar No. 196	
S.1549 - Water Cybersecurity Enhancement Act	This bill would amend the Safe Drinking Water Act to expand the Drinking Water Infrastructure Risk and Resilience Program by providing grants for cybersecurity training and preparedness. Specifically, it allows funding for training programs, manuals, and guidance materials focused on protecting community water systems from and responding to cyberattacks. The bill extends program eligibility and funding authorization through fiscal years 2026 to 2031.	05/01/2025 Read twice and referred to the Committee on Environment and Public Works	
S.1570 - Help Hoover Dam Act	This bill would authorize the Bureau of Reclamation to access approximately \$50 million in long-stranded, unused funds from the Colorado River Dam Fund for operations, maintenance, and improvements at the Hoover Dam. It also allows Reclamation to partner with hydropower contractors to carry out authorized activities such as upgrades, clean-up efforts, and maintenance. <i>Companion bill of H.R. 3158.</i>	05/01/2025 Read twice and referred to the Committee on Energy and Natural Resources	Sen. Alex Padilla, Sen. Adam Schiff
S. 1708 - Regulatory Accountability Act	This bill seeks to limit agency overreach by requiring new rules to be clearly tied to congressional authority, ending rulemaking via informal guidance, and strengthening transparency through public comment and data disclosure. It also reforms the Congressional Review Act and ensures courts independently review agency interpretations rather than deferring to them. <i>Companion bill of H.R. 3525.</i>	05/12/2025 Read twice and referred to the Committee on Homeland Security and Governmental Affairs	
S.1730 - Water Affordability, Transparency, Equity, and Reliability Act of 2025	This bill proposes a range of measures aimed at improving water quality and infrastructure across the country. Key provisions include efforts to address contaminants such as lead and PFAS, expanded grant support for low-income communities to help prevent water service shutoffs, and the creation of a \$35 billion annual trust fund to support water and sewer system upgrades. The legislation also includes workforce development components intended to create jobs in the communities where projects are implemented. <i>Companion bill of H.R. 3376.</i>	05/13/2025 Read twice and referred to the Committee on Environment and Public Works	
S.1743 - Extreme Heat Economic Study Act	This bill directs the National Integrated Heat Health Information System (NIHHIS) and its partner agencies to conduct and publish a comprehensive study within four years on the economic impacts of extreme heat events. The study must evaluate costs related to public health, insurance and workers’ compensation, energy use, infrastructure damage, agricultural losses, labor productivity, and business interruptions. It also requires recommendations for developing a national tracking system for heat-related healthcare costs and labor impacts. The bill authorizes \$3.5 million to carry out the study and aims to inform future policies for mitigating the growing financial toll of extreme heat.	05/13/2025 Read twice and referred to the Committee on Commerce, Science, and Transportation	
S.1760 - Restoring WIFIA Eligibility Act	This bill would seek to ensure that if a project’s funding is repaid entirely through non-federal revenue sources and the recipient is not a federal agency, then the assistance will be classified as non-federal for budgeting purposes under the Federal Credit Reform Act of 1990. This change is intended to expand access to WIFIA loans and loan guarantees by preventing federal classification from limiting support for state, local, and other non-federal infrastructure projects. <i>Companion bill of H.R.3035.</i>	05/14/2025 Read twice and referred to the Committee on the Budget	

S. 1872 - Critical Infrastructure Manufacturing Feasibility Act	This bill would direct the Secretary of Commerce to study which high-demand critical infrastructure products are currently imported, assess the costs of domestic production, and evaluate the feasibility of manufacturing these goods in rural communities and industrial parks. The findings must be reported to Congress within 18 months of enactment. <i>Companion bill of H.R. 1721.</i>	11/10/2025 Held at the desk in House	
S.1963 - Emergency Disaster Relief Fund Act of 2025	This bill would replenish the Disaster Relief Fund (DRF) with \$25 billion in supplemental appropriations.	06/05/2025 Read twice and referred to the Committee on Homeland Security and Governmental Affairs	
S.2007 - Financing Lead Out of Water (FLOW) Act	This bill would simplify the tax process for public water systems to use tax-exempt bonds for replacing private lead service lines by exempting these projects from the "business use test." This change reduces delays and costs caused by the current requirement to verify business operations at each affected residence. <i>Companion bill of H.R.3892.</i>	06/10/2025 Read twice and referred to the Committee on Finance	
S.2014 - Special District Fairness and Accessibility Act	This bill would create the first formal federal definition of "special district." The bill also directs the White House Office of Management and Budget (OMB) to provide guidance to federal agencies to recognize special districts as local governments, ensuring they have access to appropriate federal financial assistance. <i>Companion bill of H.R. 2766.</i>	06/10/2025 Read twice and referred to the Committee on Homeland Security and Governmental Affairs	
S.2033 - Cross-Boundary Wildfire Solutions Act	This bill seeks to enhance the effectiveness and efficiency of wildfire mitigation efforts across different land ownerships by identifying gaps in existing federal policies and encouraging greater coordination among agencies and stakeholders. <i>Companion bill of H.R.3922</i>	12/02/2025 Committee on Energy and Natural Resources Subcommittee on Public Lands, Forests, and Mining. Hearings held	
S.2039 - Wildfire Risk Evaluation Act	This bill would direct the Secretary of Agriculture, the Secretary of the Interior, and the Secretary of Homeland Security to carry out a quadrennial fire review. The findings will be used to guide long-term strategies to improve wildfire preparedness, response, and coordination among federal agencies. <i>Companion bill of H.R.3924</i>	06/11/2025 Read twice and referred to the Committee on Homeland Security and Governmental Affairs	
S.2247 - Disaster Assistance Improvement and Decentralization (AID) Act	This bill seeks to modernize federal disaster response by improving the Stafford Act and advancing reforms to make FEMA more efficient and locally responsive. It aims to cut red tape, allowing state and local governments—particularly small communities with limited capacity—to better tailor recovery efforts to local needs. The bill provides technical and financial support to help navigate the complex disaster assistance process and ensures more predictable federal funding. It also prevents future presidential administrations from pausing or cutting off aid during active recovery efforts.	07/10/2025 Read twice and referred to the Committee on Finance	

S.2256 - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2026	This bill provides FY2026 appropriations for the Department of Agriculture (USDA), the Food and Drug Administration, and related agencies. <i>Senate version of H.R.4121.</i>	Signed 11/12/2025 Public Law 119-37	
S.2353 - Microplastics Safety Act	This bill would direct the Food & Drug Administration to submit a report to Congress on the human health impacts of exposure to microplastics in food and water, focusing on risks to children's health, the endocrine system, and reproductive health, as well as associated risks related to cancer and chronic illnesses. <i>Companion bill of H.R.4486.</i>	07/17/2025 Read twice and referred to the Committee on Health, Education, Labor, and Pensions	
S.2354 - Commerce, Justice, Science, and Related Agencies Appropriations Act, 2026	This bill provides FY2025 appropriations to the Department of Commerce, the Department of Justice (DOJ), the science agencies, and several related agencies. Within that includes the National Oceanic and Atmospheric Administration (NOAA). <i>Senate version of H.R. 5342.</i>	Signed 01/23/2026 Public Law 119-74	
S.2374 - Climate Change Resiliency Fund for America Act	This bill would authorize the Treasury Department to issue \$200 million to \$1 billion annually in tax-exempt "climate bonds." These bonds would be available for purchase by any American to support the fund. The Department of Commerce would administer the Climate Change Resiliency Fund, providing grants to finance infrastructure projects aimed at strengthening the nation's resilience against increasing extreme weather events.	07/22/2025 Read twice and referred to the Committee on Finance	
S.2388 - Water Infrastructure Modernization Act	This bill seeks to amend the Federal Water Pollution Control Act to reauthorize and expand a pilot program for alternative water source projects. Key provisions include defining "intelligent water infrastructure technology" to encompass advanced systems for wastewater treatment, stormwater management, leak detection, and real-time monitoring. Furthermore, the proposed legislation increases authorized grant funding from \$25,000,000 to \$50,000,000 annually until 2028 and outlines reporting requirements for the Administrator regarding project grants and improvements.	07/23/2025 Read twice and referred to the Committee on Environment and Public Works	
S.2421 - CLEAR Waters Act	This bill aims to amend the Federal Water Pollution Control Act by explicitly defining and adding exclusions to the term "navigable waters." Specifically, it seeks to exclude waste treatment systems, ephemeral features that only flow due to precipitation, and groundwater from this classification. The bill empowers the Administrator and the Secretary of the Army to identify additional features for exclusion.	07/23/2025 Read twice and referred to the Committee on Environment and Public Works	
S.2430 - Wildfire Insurance Coverage Study Act	This bill would require a federal study to better understand how increasing wildfire risks affect homeowners' and commercial property insurance coverage. The study would assess the scope of wildfire risks, the availability and cost of insurance, insurer refusals to renew policies based on location, state regulatory responses, and the need for a national wildfire risk map. The goal is to provide clearer data to address rising premiums, coverage losses, and improve protections for homeowners in wildfire-prone areas.	07/24/2025 Read twice and referred to the Committee on Banking, Housing, and Urban Affairs	



S.2431 - Department of the Interior, Environment, and Related Agencies Appropriations Act, 2026	This bill provides FY2025 appropriations for the Department of the Interior, the Environmental Protection Agency (EPA), and several related agencies including the U.S. Fish and Wildlife Service, the U.S. Forest Service. <i>Senate version of H.R.4754.</i>	Signed 01/23/2026 Public Law 119-74	
S.2437 - Snow Water Supply Forecasting Program Reauthorization Act	This bill aims to amend the existing Snow Water Supply Forecasting Program Authorization Act. The proposed changes focus on enhancing the program through the development and deployment of integrated snowpack measuring and modeling technologies, including imaging spectroscopy and machine learning. It also seeks to improve water supply forecasting for better water management decisions across multiple jurisdictions and reauthorizes funding for the program from fiscal years 2027 through 2031.	03/17/2026 Committee on Energy and Natural Resources Subcommittee on Water and Power hearings held	
S.2472 - Department of Defense PFAS Discharge Prevention Act	This bill would mandate the Secretary of Defense to request modifications to stormwater discharge permits for military facilities. These modifications would require quarterly monitoring of PFAS discharges and the implementation of best management practices or control technologies to reduce these pollutants. Furthermore, the bill stipulates that at least one percent of funds allocated for PFAS remediation efforts must be used annually to support these monitoring and reduction activities.	07/28/2025 Read twice and referred to the Committee on Armed Services	
S.2500 - Research for Healthy Soils Act	This legislation would authorize the U.S. Department of Agriculture to make grants available to study the incidence and impacts of microplastics and PFAS in biosolids on farmland. <i>Companion bill of H.R.3991.</i>	07/29/2025 Read twice and referred to the Committee on Agriculture, Nutrition, and Forestry	
S.2583 - NOAA Weather Radio Modernization Act	This bill would mandate the expansion and modernization of the NOAA Weather Radio network, ensuring its 24/7 operation, resilience to emergencies, and improved coverage, especially in underserved or high-risk areas. Additionally, the bill calls for the development of national standards for flash flood alert systems and proposes a reclassification of certain NOAA employee positions as protective services, along with a 10-year staffing plan to support critical forecasting and warning functions.	07/31/2025 Read twice and referred to the Committee on Commerce, Science, and Transportation	
S.2701 - Headwaters Protection Act	This bill seeks to reauthorize and improve the Water Source Protection Program under the Healthy Forests Restoration Act of 2003. It aims to protect and restore watershed health, water supply and quality, municipal and agricultural water supply systems, and water-related infrastructure, as well as forest health from insect infestation, disease, or wildfire. The bill expands the scope to include "adjacent land" (non-Federal land within the same watershed as National Forest System land). <i>Companion bill of H.R.605.</i>	09/03/2025 Read twice and referred to the Committee on Agriculture, Nutrition, and Forestry	
S.2753 - Urban Canal Modernization Act	This bill would amend the Omnibus Public Land Management Act of 2009 to authorize certain extraordinary operation and maintenance work specifically for "urban canals of concern". An "urban canal of concern" is defined as a transferred works or segment that, if it were to fail, would result in an estimated at-risk population exceeding 100 individuals, and which the Secretary of the Interior determines to be an urban canal reach. The bill authorizes the Secretary or the transferred works operating entity to carry out necessary extraordinary operation and maintenance work on these canals. <i>Companion bill of H.R.6279.</i>	03/17/2026 Committee on Energy and Natural Resources Subcommittee on Water and Power hearings held	

S.3140 - Flood Protection and Infrastructure Resilience Act	This bill would update USDA conservation and watershed programs to strengthen flood protection and long-term watershed resilience. It allows the Emergency Watershed Protection Program to implement restoration measures that go beyond addressing immediate damage when doing so benefits the watershed's long-term health and reduces repeated impairments. The bill increases federal cost-share options for rehabilitating aging watershed infrastructure, including higher support—up to 90% of total costs—for projects in limited-resource areas. It also updates the Regional Conservation Partnership Program to explicitly include flood and drought mitigation, improved watershed-scale resilience, and broader conservation of soil, water, wildlife, and agricultural land.	11/06/2025 Read twice and referred to the Committee on Agriculture, Nutrition, and Forestry	
S.3190 - Fire Innovation Unit Act	This bill would establish a seven-year public-private wildfire technology pilot, led jointly by the Agriculture and Interior Departments, to test and deploy innovative prevention, detection, and mitigation technologies, with participating agencies and partners defined and annual reports to Congress required. <i>Companion bill of H.R.6094.</i>	11/18/2025 Read twice and referred to the Committee on Homeland Security and Governmental Affairs	
S.3224 - SPEED Act	This bill would amend NEPA to streamline environmental reviews by clarifying its procedural role, limiting analysis to proximate and reasonably foreseeable impacts, and excluding speculative effects. The bill also imposes expedited judicial review timelines to reduce delays in permitting and economic development projects. <i>Counterpart bill to H.R.4776.</i>	11/19/2025 Read twice and referred to the Committee on Environment and Public Works	
S.3290 - Financial Services and General Government Appropriations Act, 2026	This bill provides FY2026 funding for the Department of the Treasury, the Executive Office of the President, the judiciary, the District of Columbia, and several independent agencies. <i>Senate version of H.R.5166.</i>	Signed 02/03/2026 Public Law 119-75	
S.3293 - Energy and Water Development and Related Agencies Appropriations Act, 2026	This bill provides FY2025 appropriations for U.S. Army Corps of Engineers civil works projects, the Department of the Interior's Bureau of Reclamation, the Department of Energy (DOE), and several independent agencies. <i>Senate version of H.R.4553.</i>	Signed 01/23/2026 Public Law 119-74	
S.3317 - Water Resources Technical Assistance Review Act	This bill would require the Comptroller General of the United States to review all clean water-related technical assistance authorities of the Environmental Protection Agency. <i>Companion bill of H.R.3427.</i>	12/03/2025 Read twice and referred to the Committee on Environment and Public Works	Sen. Adam Schiff
S.3353 - Relief for Farmers Hit with PFAS Act	This bill would provide state-level funding to support farmers affected by PFAS contamination. Authorized uses include financial assistance, PFAS testing for soil and water, health monitoring, equipment upgrades, alternative production or remediation strategies, educational programs, and research on remediation systems. The bill also establishes a USDA task force to identify additional eligible programs for PFAS-related assistance and provide technical support to states for coordinated responses.	12/04/2025 Read twice and referred to the Committee on Agriculture, Nutrition, and Forestry	



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S.3457 - Clean Water Standards for PFAS Act	This bill would require EPA to develop Clean Water Act water quality criteria for all measurable PFAS or PFAS classes within three years and establish effluent limitations guidelines (ELGs) for eight priority industry categories. The bill mandates immediate PFAS monitoring for three additional industries—Pulp, Paper, and Paperboard; Airports; and Electrical and Electronic Components—with a determination on ELG standards by December 31, 2026. It also requires EPA to promulgate Method 1633 by January 31, 2026, authorizes \$1 billion from FY 2026–2030 to help publicly owned treatment works address PFAS contamination, and provides \$12 million annually over the same period to support EPA implementation. <i>Companion bill of H.R.6668.</i>	12/11/2025 Read twice and referred to the Committee on Environment and Public Works	
S.3460 - PFAS Accountability Act	This bill would amend the Toxic Substances Control Act to establish a federal cause of action for individuals significantly exposed to PFAS, require medical monitoring at the expense of responsible manufacturers, and provide detailed provisions for claims, including presumptions of exposure for individual and class-action plaintiffs, while preserving state-law remedies. <i>Companion bill to H.R.6626.</i>	12/11/2025 Read twice and referred to the Committee on Environment and Public Works	
S.3465 - UPGRADE Act	This bill would strengthen the Safe Drinking Water Act by providing sustained technical and financial support for small, rural, and economically disadvantaged water systems through FY 2031. The bill expands the Small, Underserved, and Disadvantaged Communities Grant Program to include unincorporated communities, allowing them to work with states and local partners to address contaminated wells, failing septic systems, and other water access challenges. It also reauthorizes funding for qualified nonprofits to assist small systems in improving water quality, mitigating contaminants, and maintaining safe drinking water for vulnerable populations.	12/11/2025 Read twice and referred to the Committee on Environment and Public Works	
S.3590 - Water Infrastructure Resilience and Sustainability Act	The legislation would reauthorize the following three water infrastructure resilience programs for five years (Fiscal Year 2027-2031), at current authorization levels: Drinking Water System Infrastructure Resilience and Sustainability Program Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program Clean Water Infrastructure Resiliency and Sustainability Program <i>Companion bill to H.R.5566</i>	01/07/2026 Read twice and referred to the Committee on Environment and Public Works	
S.3609 - Community Protection and Wildfire Resilience Act	This bill would establish a new FEMA-led grant program, in coordination with the Forest Service, to help states, tribes, and local governments strengthen wildfire preparedness and community resilience. The bill authorizes \$1 billion annually to support the development and implementation of Community Protection and Wildfire Resilience Plans, funding activities such as early detection, evacuation planning, protection of vulnerable populations, home and infrastructure hardening, defensible space, and emergency communications. Grants would prioritize high-risk, low-income, and recently impacted communities, expand eligibility for structure hardening under existing programs, and require studies on insurance incentives, federal wildfire authorities, hazard mapping, and first-responder radio interoperability.	01/08/2026 Read twice and referred to the Committee on Homeland Security and Governmental Affairs	Sen. Alex Padilla
S.3693 - Large-Scale Water Recycling Reauthorization Act	This bill would reauthorize the Large-Scale Water Recycling by an additional 5 years. <i>Companion bill to H.R.6204.</i>	03/17/2026 Committee on Energy and Natural Resources Subcommittee on Water and Power hearings held	

S.3709 - Streamlining Federal Grants Act of 2026	This bill seeks to modernize federal grant management by establishing a Grants Council and requiring agencies to designate senior officials to oversee grant policies and improve service delivery. The bill standardizes data practices, promotes plain-language funding notices, and aims to reduce administrative barriers, particularly for underserved applicants. It also requires agencies to develop publicly reviewed improvement plans and enhances oversight and reporting to improve the accessibility and effectiveness of federal grant programs.	01/28/2026 Read twice and referred to the Committee on Homeland Security and Governmental Affairs	
S.3732 - Water Security and Drought Resilience Act	This bill would reauthorize and expand the Infrastructure Investment and Jobs Act's Small Storage Program, which supports projects that increase surface or groundwater storage between 200 and 30,000 acre-feet. The bill also establishes a new grant program for natural water retention and release projects—such as aquifer recharge, floodplain restoration, and runoff timing adjustments—that enhance water availability using nature-based approaches and existing storage systems.	03/17/2026 Committee on Energy and Natural Resources Subcommittee on Water and Power hearings held	Sen. Alex Padilla
S.3737 - GROW SMART Act	This bill would update federal drought policy by funding collaborative water-sharing projects among agricultural, municipal, and industrial users. The bill supports water-efficient approaches—such as water-thrifty crops and advanced technologies like agrovoltatics and hydroponics. Eligible participants, including irrigation districts, Tribes, and nonprofits, could receive up to 75 percent federal cost-sharing for long-term drought resilience projects, with funding authorized to help protect groundwater supplies and stabilize rural economies during severe water shortages.	03/17/2026 Committee on Energy and Natural Resources Subcommittee on Water and Power hearings held	Sen. Alex Padilla
S.3738 - MORE WATER Act	This bill would reauthorize the Bureau of Reclamation's large-scale recycled water program, providing federal grants covering up to 25 percent of project costs. In addition to restoring funding authority, the bill streamlines the approval process by reauthorizing expired programmatic approvals and creating a new framework that allows projects to move forward without requiring separate congressional authorization for each one. The goal is to accelerate construction timelines, reduce costs, and expand water recycling capacity.	03/17/2026 Committee on Energy and Natural Resources Subcommittee on Water and Power hearings held	Sen. Alex Padilla
S.3800 - ePermit Act	This bill aims to improve environmental reviews and authorizations through the use of interactive, digital, and cloud-based platforms. This is intended to enhance coordination among Federal, State, and local agencies and project sponsors, make community engagement more accessible, and increase transparency by establishing robust data architectures and modern software solutions. The bill seeks to achieve these goals by developing data standards, prototype tools, and a unified interagency data system, including a common authorization portal. <i>Companion bill to H.R.4503.</i>	02/05/2026 Read twice and referred to the Committee on Environment and Public Works	Sen. Alex Padilla
S.3854 - Advanced Weather Model Computing Development Act	This bill would establish a partnership between the Department of Energy and NOAA to improve weather and climate forecasting through advanced computing technologies. The bill supports the creation of research centers at national laboratories, promotes collaboration on tools such as artificial intelligence and high-performance computing, and requires regular reporting to Congress to track progress in enhancing forecasting capabilities and workforce development.	02/12/2026 Read twice and referred to the Committee on Commerce, Science, and Transportation	
S.3895 - Fairness in Federal Disaster Declarations Act	This bill would revise how FEMA evaluates requests for disaster assistance by requiring standardized, weighted criteria for determining eligibility. The bill directs FEMA to consider localized impacts, community trauma, and economic conditions such as poverty levels and tax base, and applies these criteria retroactively to certain past denials. The goal is to create a more consistent and transparent process for distributing federal disaster aid.	02/24/2026 Read twice and referred to the Committee on Homeland Security and Governmental Affairs	



S.3923 - Weather Research and Forecasting Innovation Reauthorization Act	This bill seeks to strengthen federal forecasting and emergency communication systems by improving atmospheric river prediction, wildfire weather forecasting, and drought monitoring. The bill directs NOAA to enhance coordination with agencies like FEMA, upgrade weather radio technology, and expand research and tools for hazard prediction, while also requiring NOAA and USGS to incorporate atmospheric river risks into landslide preparedness efforts.	03/04/2026 Committee on Commerce, Science, and Transportation. Ordered to be reported with amendments favorably	
S.4022 - Disaster Recovery Improvement Act	This bill would establish an interagency task force to evaluate and improve federal disaster recovery programs. The task force—led by FEMA and including multiple federal agencies, as well as state and local officials—would identify gaps in existing programs, gather input from local leaders, and develop recommendations to streamline aid delivery and reduce delays, including during transitions between presidential administrations.	03/05/2026 Read twice and referred to the Committee on Homeland Security and Governmental Affairs	



To:	Las Virgenes-Triunfo JPA
From:	Syrus Devers
Date:	April 6th, 2026
Re:	State Legislative Report

Legislative Report

The Legislature got up to operating speed in the final weeks of March, but it is nothing like what the final weeks of April will be like. Policy committees that may have had 6 or 8 bills on their agendas in March may see 30 or 40 bills in a single hearing in April. This report will cover the bills of interest that have already had a hearing, as well as what to look forward to in April.

Early wins.

SB 872 (McNerney–support): This bill is supported by water agencies connected to the State Water Project (SWP) in any way. It would fund capital improvements on the SWP, most notably subsidence remediation, as well as improvements within the Delta. SB 872 passed with unanimous support.

SB 1153 (Caballero–support): This is the ACWA sponsored bill to address wildfire readiness and liability. Wanting to give the bill its best possible odds, the sponsors searched the world for the best possible witness to champion the bill in committee, which explains why our own GM Dave Pedersen was in Sacramento on March 24th. His unassailable logic and rhetorical skill secured unanimous support.

AB 2180 (Ward–support): This is the other ACWA sponsored bill to provide a legal foundation for tiered rates when attacked by Prop 218 lawsuits. Covert opposition from the Howard Jarvis folks, covert because they acted through others, was able to persuade Republicans to oppose, but the Assembly Local Government Committee is even more heavily weighted in favor of Democrats than most other committees, so the bill easily passed out on a 7-2 vote.

SB 1001 (Arculetta--support): This bill would provide for official identification for utility employees who need to enter an emergency zone. (We get badges?!)¹ Passed with unanimous support.

AB 1893 (Gallager–support): Local assistance grants for wildfire preparednesses. Unanimous support...in a policy committee with no jurisdiction over spending.

Battles to come in April.

AB 2013 (Bennett–oppose unless amended): This bill requires water agencies to prepare plans and coordinate responses to wildfires. The problem is the repeated use of the following phrase: *..while*

¹ Not really, but very official looking cards in cases like the ones FBI agents flash..

Syrus Devers Advocacy

providing an adequate water supply for...fighting [wildfires]. The challenge for opponents is that if 100 people on the street were stopped and asked if they believed that municipal water agencies should have an adequate water supply to fight a wildfire, it's likely all would agree. But that universal support does not change the fact that an "adequate water supply" to fight wildfires exists in the same realm as "unicorns that fart delicious candy."

If that sounds farcical, it is only because the average person, or legislator, understands without explanation that unicorns do not exist. But an "adequate water supply for fighting wildfires" sounds both plausible and desirable to people, in general, and legislators, in particular. For this reason, SDA is of the opinion that strong words are called for to cut through a legislator's first impression of the bill. ACWA has drafted amendments which, if accepted, would make the bill supportable. It should be noted, however, that the amendments delete nearly the entire contents of the bill. The bill may be heard on any of the four Mondays in April.

AB 2215 (Calderon--support): Extends the Department of Water Resources water permits for the SWP until 2085, but excludes any benefit to the Delta Conveyance Project (DCP). Despite the no tunnel caveat, the bill would moot a legal argument used by opponents of the DCP, so expect opposition.

SB 1085 (Durazo--support): This bill would close a loophole in the requirement to prove up a water supply for a residential development over 500 units. Opposition from housing advocates motivated Senator Durazo to pull the bill and seek a hearing date in April.

Political Report

This will be old news by the time of the JPA hearing, but as this report was being prepared the local political scene was rocked when one of the democrat candidates to replace Jacqui Irwin was booted from the official ballot. Westlake Village Councilmember Kelly Honig, a resident of LA County, walked into a Ventura County registrar's office and asked if it was OK to "pull papers" to file her candidacy for Assembly District 42. According to Honig, the official said it was and Honig proceeded to file for AD 42 in Ventura County.

Unfortunately, the law is quite clear that a candidate must file candidacy papers in the county in which they reside. Fun fact, you cannot ask other people to vote for you unless you are registered to vote yourself, and it is the job of the county you live in to verify that status if asked. (And nobody asked.) The Secretary of State caught the error and rejected the filing. Honig went to court at 3pm on the day the official certified list of candidates had to be published by 5pm, and asked a judge to compel the Secretary of State to put her name on the ballot. The judge, however, was unsympathetic and denied the writ. This will have political impacts well beyond the district.

Las Virgenes - Triunfo JPA

Bill Matrix

Friday, 03/27/2026

High

[AB 1873](#) (Bennett, D) County of Ventura: fire suppression: backup energy source.

Current Text: 03/26/2026 - Amended [HTML](#) [PDF](#)

Status: 03/26/2026 - From committee chair, with author's amendments: Amend, and re-refer to Com. on U. & E. Read second time and amended.

Calendar: *04/08/26 A-UTILITIES AND ENERGY 1:30 p.m. - State Capitol, Room 437 PETRIE-NORRIS, COTTIE, Chair*

Summary: Existing law requires, by July 1, 2030, a water supplier, as defined, to have access to sufficient backup energy sources to operate critical fire suppression infrastructure, as defined, needed to supply water for at least 24 hours for the purpose of fire suppression in high or very high fire hazard severity zones in the County of Ventura, or to have access to alternative sources of water supplied by a different water supplier or agency that can serve this same purpose of supplying backup water to critical wells and water pumps for 24 hours, as provided. Existing law authorizes a water supplier that uses a backup energy source that is not permanent and stationary to use mobile backup energy sources or procure an energy source via an established mutual aid agreement provided that the backup energy source can provide power within 12 hours of the National Weather Service alerting the County of Ventura of a red flag warning and provide power for at least 24 hours after a loss of power and within 60 minutes of a loss of power. Existing law requires, if any fire damages and makes uninhabitable more than 10 residential dwellings within the service area of a water supplier, a report be made by the Ventura County Fire Department in cooperation with the water supplier, as specified. This bill would authorize a water supplier to use a backup energy source that is not permanent or stationary, provided that the backup energy source can, among other things, provide power within 90 minutes of a loss of power, or as soon as practically possible after deenergization. The bill would require a water supplier that uses a backup energy source that is not permanent and stationary to notify the Ventura County Office of Emergency Services as soon as practically possible, but no later than 72 hours after a loss of power, if that backup energy source does not provide power within 90 minutes of a loss of power. (Based on 03/26/2026 text)

Position

Priority

Oppose Unless Amended

High

[AB 1893](#) (Gallagher, R) Wildfire prevention: local assistance grant program: eligible activities.

Current Text: 02/12/2026 - Introduced [HTML](#) [PDF](#)

Status: 03/24/2026 - Coauthors revised. From committee: Do pass and re-refer to Com. on E.M with recommendation: To Consent Calendar. (Ayes 14. Noes 0.) (March 23). Re-referred to Com. on E.M.

Summary: Existing law requires the Department of Forestry and Fire Protection to establish a local assistance grant program for fire prevention and home hardening education activities in California and extends eligibility for grants to specified entities, including local agencies. Existing law provides that eligible activities under the local assistance grant program include, among other things, technical assistance to local agencies to improve fire prevention and reduce fire hazards and projects to improve public safety, including, but not limited to, access to emergency equipment and improvements to public evacuation routes. Existing law makes funding for this program subject to an appropriation by the

Legislature. This bill would expand eligible activities under the local assistance grant program to include projects undertaken by a local governmental entity involving the acquisition or installation of mobile rigid dip tanks or similar mobile and permanent infrastructure that is capable of providing helicopter-accessible water supplies for firefighting response or suppression purposes in very high fire and high fire hazard severity zones, as provided. (Based on 02/12/2026 text)

Position	Priority
Support	High

AB 2013 (Bennett, D) Fire risk areas: water suppliers: emergency preparedness plan.

Current Text: 02/17/2026 - Introduced [HTML](#) [PDF](#)

Status: 03/26/2026 - Assembly Rule 56 suspended. (Pending re-refer to Com. on E.S. & T.M.)

Calendar: *04/14/26 A-ENVIRONMENTAL SAFETY AND TOXIC MATERIALS 1:30 p.m. - State Capitol, Room 444 CONNOLLY, DAMON, Chair*

Summary: Current law requires the State Fire Marshal to identify areas in the state as moderate, high, and very high fire hazard severity zones based on consistent statewide criteria and based on the severity of fire hazard that is expected to prevail in those areas. Current law requires a local agency to designate, by ordinance, moderate, high, and very high fire hazard severity zones in its jurisdiction within 120 days of receiving recommendations from the State Fire Marshal, as provided. This bill would require a water supplier that services more than 100 customers that are located in a moderate, high, or very high fire hazard severity zone, as specified, to establish an emergency preparedness plan for response to red flag warnings, extreme weather events, and other major power outages or emergencies that pose a potential threat to providing adequate water service. (Based on 02/17/2026 text)

Position	Priority
Oppose Unless Amended	High

AB 2180 (Ward, D) Local government: Proposition 218 Omnibus Implementation Act: proportional cost of service.

Current Text: 03/11/2026 - Amended [HTML](#) [PDF](#)

Status: 03/26/2026 - Read second time. Ordered to third reading.

Summary: The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency. As part of those requirements, the California Constitution mandates that such fees or charges that are extended, imposed, or increased satisfy certain requirements, including, but not limited to, that the amount of the fee or charge imposed upon any parcel or person as an incident of property ownership not exceed the proportional cost of the service attributable to the parcel. Existing law, known as the Proposition 218 Omnibus Implementation Act (act), prescribes specific procedures and parameters for local jurisdictions to comply with these requirements and, among other things, authorizes an agency providing water, wastewater, sewer, or refuse collection services to adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water, sewage treatment, or wastewater treatment or adjustments for inflation under certain circumstances. This bill would authorize a local government to demonstrate the proportional cost of the service attributable to the parcel by any method that reasonably allocates the ascertainable cost of providing service to all parcels, if substantiated as provided. The bill would, however, provide that for water or sewer service fee or charge impositions, a local government is not required to provide an exact measure of the cost of the service at each parcel and may instead impose uniform or tiered rates to parcel or customer classes that are defined based on common characteristics indicative of likely water or sewer use. (Based on 03/11/2026 text)

Position	Priority
Support	High

AB 2215 (Calderon, D) Water rights: permits: State Water Project.

Current Text: 03/19/2026 - Amended [HTML](#) [PDF](#)

Status: 03/23/2026 - Re-referred to Com. on W., P., & W.

Summary: The Department of Water Resources operates the State Water Resources Development System, commonly referred to as the State Water Project. Existing law requires that construction work for a project that will put appropriated water to beneficial use be commenced, prosecuted with due diligence, and completed within the time period specified in the water right permit. Existing law authorizes the State Water Resources Control Board to extend the deadline specified in the permit to commence or complete construction work and to put appropriated water to beneficial use for good cause shown. This bill would require that the time periods for the application of water to beneficial use and for the completion of construction work for specific water right permits held by the Department of Water Resources for the operation of the State Water Project be December 31, 2085. (Based on 03/19/2026 text)

Position	Priority
Support	High

SB 872 (McNerney, D) Delta Levees and Canal Subsidence Fund.

Current Text: 03/26/2026 - Amended [HTML](#) [PDF](#)

Status: 03/26/2026 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on N.R. & W.

Calendar: 04/07/26 S-NATURAL RESOURCES AND WATER 1:30 p.m. - State Capitol, Room 113
BECKER, JOSH, Chair

Summary: Existing law, the Sacramento-San Joaquin Delta Reform Act of 2009, declares that the Sacramento-San Joaquin Delta (Delta) is a critically important natural resource for California and the nation and it serves as both the hub of the California water system and the most valuable estuary and wetland ecosystem on the west coast of North and South America. Existing law establishes in the Natural Resources Agency the Department of Water Resources. Existing law requires the department and the Department of Fish and Wildlife to determine the principal options for the Delta and requires the department to evaluate and comparatively rate each option for its ability to do specified things, including, among others, to maintain Delta water quality for Delta users, and to preserve, protect, and improve Delta levees. Existing law establishes in the agency the Sacramento-San Joaquin Delta Conservancy. Existing law requires the conservancy to act as a primary state agency to implement ecosystem restoration in the Delta and to support efforts that advance environmental protection and the economic well-being of Delta residents. This bill would establish the Delta Levees and Canal Subsidence Fund in the State Treasury and, upon appropriation, would make the moneys in the fund available to the Secretary of the Natural Resources Agency for expenditure consistent with the allocations described below. The bill would authorize the secretary to seek out, and the fund to accept, state moneys from, among other sources, any bond funds, the General Fund, or the Greenhouse Gas Reduction Fund. The bill would authorize the fund to accept moneys from nonstate sources, including federal and private moneys, and would continuously appropriate those moneys without regard to fiscal year, for allocation as described below, thereby making an appropriation. (Based on 03/26/2026 text)

Position	Priority
Support	High

SB 1001 (Archuleta, D) Local agency, corporation, or mutual water company: personnel access: Personal Identity Verification-Interoperable.

Current Text: 03/17/2026 - Amended [HTML](#) [PDF](#)

Status: 03/24/2026 - From committee: Do pass and re-refer to Com. on PUB. S. (Ayes 8. Noes 0.) (March 24). Re-referred to Com. on PUB. S.

Calendar: *04/14/26 S-PUBLIC SAFETY 8:30 a.m. - State Capitol, Room 112 ARREGUÍN, JESSE, Chair*

Summary: Existing law authorizes officers of the Department of the California Highway Patrol, police departments, marshal's office or sheriff's office, and officers or employees of the Department of Forestry and Fire Protection or the Department of Fish and Wildlife designated as peace officers to close to all unauthorized persons an area where a menace to the public health or safety created by a calamity exists for the duration of the menace and the immediate area surrounding any emergency field command post or any other command post activated for the purpose of abating a calamity, riot, or other civil disturbance, as specified. Under existing law, an unauthorized person who enters or remains in a closed area, as prescribed, is guilty of a misdemeanor. This bill would, beginning on July 1, 2028, require the Office of Emergency Services, upon request, to issue a local agency, corporation, or mutual water company responsible for public works and critical infrastructure with specified credentialing to facilitate personnel access to an area during or following a natural disaster, act of terrorism, or other man-made disaster. The bill would specify that the credentialing, a Personal Identity Verification-Interoperable (PIV-I), would conform with the federal Personal Identity Verification standards pursuant to federal National Incident Management System guidelines. (Based on 03/17/2026 text)

Position	Priority
Support	High

SB 1085 (Durazo, D) Water supply planning: California Environmental Quality Act determination.

Current Text: 02/13/2026 - Introduced [HTML](#) [PDF](#)

Status: 03/24/2026 - March 24 set for first hearing canceled at the request of author.

Summary: The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to be responsible for determining whether a project is exempt from CEQA and whether an environmental impact report, a negative declaration, or a mitigated negative declaration is required. Current law requires a city or county that determines a certain type of project is subject to the requirements of CEQA to identify any public water system that may supply water for the project and to request those public water systems to prepare a specified water supply assessment, as provided. This bill would instead require a city or county to make that identification of public water systems for certain projects that the city or county approves, without regard to whether the project is determined to be subject to the requirements of CEQA. (Based on 02/13/2026 text)

Position	Priority
Support	High

SB 1153 (Caballero, D) Disaster preparedness: urban retail water suppliers and public water systems: wildfire.

Current Text: 03/25/2026 - Amended [HTML](#) [PDF](#)

Status: 03/25/2026 - Read second time and amended. Re-referred to Com. on N.R. & W.

Summary: The California Emergency Services Act requires all public water systems, as defined, with 10,000 or more service connections to review and revise their disaster preparedness plans in conjunction with related agencies, including, but not limited to, local fire departments and the Office of Emergency Services to ensure that the plans are sufficient to address possible disaster scenarios. A person, as defined, who violates the provisions of this act is guilty of a misdemeanor. This bill, beginning January 1, 2028, would require all urban retail water suppliers, as defined, serving a high or very high fire hazard severity zone to include incident-specified response procedures for wildfires as part of their disaster preparedness plans, including any applicable emergency response plan as required by federal law. The bill would require these plans to include mitigation actions, including actions, procedures, and equipment, that can obviate or significantly lessen the impact of a wildfire on the water system and the supply of drinking water provided by the water supplier. Because violation of these requirements by certain urban

retail water suppliers would constitute a misdemeanor, the bill would expand the scope of a crime, thereby imposing a state-mandated local program. (Based on 03/25/2026 text)

Position	Priority
Support	High
Low	

[AB 1895](#) ([Hadwick, R](#)) Surplus Land Act: exemptions: land unsuitable for housing.

Current Text: 02/12/2026 - Introduced [HTML](#) [PDF](#)

Status: 03/02/2026 - Referred to Coms. on L. GOV. and H. & C.D.

Summary: Current law requires land to be declared either surplus land or exempt surplus land, as supported by written findings, before a local agency may take any action to dispose of it consistent with an agency's policies or procedures. Current law establishes procedures for the disposal of surplus land. These procedures do not apply to the disposal of exempt surplus land. Current law establishes various categories of exempt surplus land, including surplus land that is a former street, right-of-way, or easement, and is conveyed to an owner of an adjacent property. This bill would broaden the definition of exempt surplus land to include land that is unsuitable for housing development due to the presence of one or more specified characteristics, including land with slope instability that increases risk of mudslides, landslides, subsidence, liquefaction, and other seismic hazards. (Based on 02/12/2026 text)

Position	Priority
Watch	Low

[AB 2322](#) ([Papan, D](#)) Appropriation of water: notice of hearing.

Current Text: 03/19/2026 - Amended [HTML](#) [PDF](#)

Status: 03/23/2026 - Re-referred to Com. on W., P., & W.

Summary: Existing law requires the State Water Resources Control Board to act upon all applications for a permit to appropriate water. Existing law establishes various requirements for a notice regarding an application received by the board, including, among other requirements, that notice be given by mail not less than 20 days before the date of a hearing for an unprotested application. This bill would require notice to be given by mail not less than 15 days before the date of a hearing for an unprotested application. (Based on 03/19/2026 text)

Position	Priority
SPOT BILL	Low

[AB 2568](#) ([Johnson, R](#)) Water district directors: compensation.

Current Text: 03/10/2026 - Amended [HTML](#) [PDF](#)

Status: 03/11/2026 - Re-referred to Com. on L. GOV.

Summary: Existing law authorizes a water district, as defined, to adopt an ordinance that provides compensation to members of the governing board, as specified. Existing law prohibits a water district from adopting an ordinance that compensates members of the governing board for more than a total of 10 days in any calendar month. This bill would instead prohibit a water district from adopting an ordinance that compensates members of the governing board for more than a total of 15 days in any calendar month. (Based on 03/10/2026 text)

Position	Priority
Watch	Low

[AB 2728 \(Soria, D\)](#) Open and Transparent Water Data Act.

Current Text: 03/19/2026 - Amended [HTML](#) [PDF](#)

Status: 03/23/2026 - Re-referred to Com. on W., P., & W.

Summary: Existing law, the Open and Transparent Water Data Act, requires the Department of Water Resources, the State Water Resources Control Board, and the Department of Fish and Wildlife to coordinate and integrate existing water and ecological data from local, state, and federal agencies for specified purposes, including, among others, improving the management of the state's water resources. This bill would specify for purposes of that provision that improving the management of the state's water resources includes improving the efficacy of management actions. This bill contains other related provisions and other existing laws. (Based on 03/19/2026 text)

Position	Priority
SPOT BILL	Low

[SB 1313 \(McNerney, D\)](#) Public water systems: grants and loans: perfluoroalkyl and polyfluoroalkyl substances.

Current Text: 02/20/2026 - Introduced [HTML](#) [PDF](#)

Status: 03/16/2026 - Set for hearing April 22.

Calendar: 04/22/26 S-ENVIRONMENTAL QUALITY 9 a.m. - State Capitol, Room 112 BLAKESPEAR, CATHERINE, Chair

Summary: The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board various duties and responsibilities for the regulation and control of drinking water in the state. This bill would authorize the state board to fund projects, upon the appropriation of funds by the Legislature, through grants or loans to public water systems to address perfluoroalkyl and polyfluoroalkyl substances in drinking water or source water. The bill would prescribe sources from which those funds may originate and permissible activities for those projects. The bill would authorize the state board to implement the bill through a policy handbook or workplan exempt from the rulemaking provisions of the Administrative Procedure Act. This bill contains other existing laws. (Based on 02/20/2026 text)

Position	Priority
Watch	Low

[SB 1417 \(Pérez, D\)](#) Mutual water companies: assessments and water charges: notice.

Current Text: 03/25/2026 - Amended [HTML](#) [PDF](#)

Status: 03/26/2026 - Withdrawn from committee. Re-referred to Com. on RLS.

Summary: Existing law authorizes any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes, and requires any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use, to provide in its articles or bylaws that water shall be sold, distributed, supplied, or delivered only to owners of its shares and that those shares are appurtenant to certain lands, as specified. Under existing law, these corporations are known as mutual water companies. This bill would prohibit a mutual water company from charging, issuing a bill, or otherwise seeking to hold tenants of shareholders responsible for the costs of water or its delivery and would require all notices of charges for water to be sent to the shareholders at their last known address. (Based on 03/25/2026 text)

Position	Priority
Watch	Low

DATE: April 6, 2026
TO: JPA Board of Directors
FROM: External Affairs

SUBJECT: Pure Water Project Las Virgenes-Triunfo: Update

SUMMARY:

On August 1, 2016, the JPA Board selected Scenario No. 4, use of Las Virgenes Reservoir for indirect potable reuse, as the preferred alternative for the Recycled Water Seasonal Storage Basis of Design Report. The selected alternative was subsequently renamed the Pure Water Project Las Virgenes-Triunfo (PWP). Staff was also directed to report back to the Board on the next steps for implementation of the project.

Staff released a request for proposals (RFP) for Owner's Advisor/Program Manager services for the (PWP) on May 8, 2020. The selection of an Owner's Advisor/Program Manager to support the effort was an important next step to begin implementation of the Pure Water Program. Utilization of an Owner's Advisor/Program Manager is consistent with the approach taken by other public agencies pursuing potable reuse projects of similar scope and complexity. Among the critical elements of the proposed scope were completion of the preliminary design and environmental documentation, procurement of a progressive design-build (PDB) firm, and regulatory support.

On September 8, 2020, the JPA Board accepted a proposal from Jacobs Engineering Group, Inc., and authorized the Administering Agent/General Manager to execute a professional services agreement for Owner's Advisor/Program Manager services for the PWP.

On March 4, 2024, the JPA authorized Amendment No. 2 for Jacobs to provide Owner's Advisor/Program Manager services, which defined the next phase of their support for the program during the 60 percent design of the Advanced Water Purification Facility. The JPA further accepted a proposal from the Walsh Team as the PDB firm for the AWPf and ROC Pipeline. This important next step brings the PWP program into the full design phase with commissioning of the full-scale facility slated for 2027.

This report serves to provide a summary of the progress to-date on the work performed by Jacobs Engineering Group, Inc., including major monthly milestones, key program accomplishments, key considerations and a look-ahead of upcoming activities.

GOALS:

Lead in Sanitation and Recycled Water Services Focusing on Maximum Reuse

Prepared by: Jessica Forte, PE, Principal Engineer

ATTACHMENTS:

[Monthly Update on Pure Water Project Las Virgenes-Triunfo](#)

To: Las Virgenes-Triunfo JPA Board of Directors
From: Oliver Slosser, Las Virgenes Municipal Water District
Date: April 4, 2026
Re: Pure Water Project JPA Board Monthly Update

Pure Water Project Overview

The Pure Water Project (PWP) is an opportunity to proactively address three major challenges facing the Las Virgenes-Triunfo JPA:

- comply with more stringent regulatory requirements for discharging to Malibu Creek,
- balance seasonal variation of recycled water demand, and
- create a valuable resource to supplement the region's water supplies, enabled by California's reservoir water augmentation requirements.

By 2030, the plan is to have an operational advanced water purification facility (AWPF) to treat tertiary effluent from the Tapia Water Reclamation Facility for indirect potable reuse, and convey the product water to the Las Virgenes Reservoir, where it will be blended with Metropolitan Water District of Southern California (Metropolitan) supply.

Monthly Major Milestones

The PWP achieved the following in March:

- The project received its Clean Water Act Section 401 Water Quality Certification and Order, authorized by the Los Angeles Regional Water Quality Control Board. This authorization permits the construction of the facilities as designed and for the mitigation of wetlands at the AWPF site, in advance of site preparation beginning in April 2026.
- Received confirmation from United States Army Corps of Engineers that a permit will be issued in early April, in advance of site preparation beginning in April 2026.
- Project received its encroachment permit from Los Angeles County Flood Control District for Triunfo Creek channel crossing.
- Finalized negotiations regarding a Builders Risk Insurance Policy for Phase 2, which saved the JPA approximately \$1.6 Million.
- Construction management staff from Jacobs Engineer has been onboarded and will begin ongoing inspection of the site and construction progress in April.
- Continued review and collaboration on the 95% design of the AWPF and 30% design of the Ancillary line submittals.
- Negotiated a Memorandum of Agreement with the City of Thousand Oaks for installation of the Reverse Osmosis Concentrate (ROC) pipeline through the City. Planning to take the item to City of Thousand Oaks City Council on April 14.

- Advanced coordination with Callegus, City of Thousand Oaks, and private parties regarding upsizing the ROC line to allow for future connections by industrial users in Thousand Oaks.
- Continued planning for ongoing encroachment permits and easement modifications with the City of Agoura Hills.
- Met with the City of Westlake Village and local business representatives to continue development of traffic control through the City during ROC installation.
- Ongoing coordination with Cal Lutheran University regarding temporary construction easements across their parking lot.
- Issued a Statutory Offer Letter to Agoura Road Apartments for the establishment of an easement over their property to support relocation of an easement that currently traverses the project site.
- Continued planning for the groundbreaking event scheduled for April 10, 2026.
- Continued coordination with TreePeople for the Sweetwater Canyon mitigation site.
- Coordination with State Revolving Fund staff for completion of the SRF loan and Water Recycling Grant.
- PWP held two joint meetings with the Division of Drinking Water (DDW) and the Regional Water Quality Control Board (RWQCB) to review ongoing regulatory priorities for the PWP, with this month's topics including pipeline separation and concurrence by local water purveyors.
- Negotiated crossing options for the AWPf with City of Agoura Hills staff and developed a preferred alternative; finalized Low Impact Development waiver and continued other coordination items with city staff.
- Discussed contractual terms with Metropolitan Water District of Southern California for completion of Local Resource Program agreement.
- Continued development of the Phase 2 Baseline Schedule.
- Completed utility research along the ancillary pipeline alignments.
- Procurement of a Builder's Risk policy for savings to the JPA.

Look Ahead

The PWP is focused on the following activities for April 2026:

- The PWP and the Walsh team will continue to coordinate with other agencies on the project, including City of Agoura Hills, City of Thousand Oaks, City of Westlake Village, and Calleguas MWD.
- Site work at AWPf including pouring of concrete pads, installation of construction trailers, installation of Stormwater Pollution Prevention devices, grading operations, demolition and reconstruction of storm drain catch basins.

DATE: April 6, 2026

TO: JPA Board of Directors

FROM: Finance and Technology

SUBJECT: Pure Water Project Las Virgenes-Triunfo: Authorization of Construction Loan and Grant Agreement with the State Water Resources Control Board

SUMMARY:

Las Virgenes Municipal Water District (LVMWD) and Triunfo Water and Sanitation District (TWSD) are participating in the Pure Water Project Las Virgenes-Triunfo (Project) through the Las Virgenes-Triunfo Joint Powers Authority (Operating JPA). In connection with the financing of the Project, Las Virgenes Municipal Water District (LVMWD) and Triunfo Water and Sanitation District (TWSD) created the Las Virgenes-Triunfo Public Financing Authority (Financing JPA).

The Financing JPA and the Operating JPA submitted an application to the State Water Resources Control Board (SWRCB) for a loan and grant funding through the SWRCB’s Clean Water State Revolving Fund (SRF) Program. The SWRCB has approved an SRF loan for the Project, in an amount up to \$69,240,000, and grant funding, in the amount of \$15,000,000.

Staff recommends that the Board pass, approve and adopt proposed Resolution No. 39, authorizing the execution and delivery of a Loan and Grant Agreement with the SWRCB, ratifying the prior approval of the Payment Agreements and authorizing their execution for the Pure Water Project Las Virgenes-Triunfo. The target closing date for the loan is June 30, 2025.

RECOMMENDATION(S):

Pass, approve and adopt proposed Resolution No. 39, authorizing the execution and delivery of a Loan and Grant Agreement with the State Water Resources Control Board, ratifying the prior approval of the Payment Agreements and authorizing their execution.

RESOLUTION NO. 39

A RESOLUTION OF LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A CONSTRUCTION LOAN AND GRANT AGREEMENT AMONG LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY, LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY AND CALIFORNIA STATE WATER RESOURCES CONTROL BOARD, AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH

(Reference is hereby made to Resolution No. 39 on file in the JPA's Resolution Book, and by this reference the same is incorporated herein.)

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

By approving the transaction, the Operating JPA will be authorized to enter into the Loan and Grant Agreement, which would allow draws in an amount not to exceed \$85,000,000, representing both the loan and grant components.

Amounts drawn under the loan portion of the Loan and Grant Agreement will bear interest at a fixed rate determined on the date of closing. Generally, the interest rate for SRF financing agreements is fifty percent (50%) of the most recent interest rate paid by the State on general obligation bonds issued by the State Treasurer's Office. The rate is expected to be approximately 2.2%, and the term of the SRF loan is expected to be approximately 30 years.

Under the Payment Agreements, LVMWD and TWSD will be responsible for their allocated shares of the payments under the Loan and Grant Agreement.

DISCUSSION:

On February 6, 2023, the JPA Board approved Resolution No. 26 to authorize the application for a low-interest loan from the Clean Water SRF program. The JPA has since received a notice of award from the SWCRB for \$69.2 million from the SRF Program, in addition to state grants totaling \$15 million.

The proposed Loan and Grant Agreement among the Financing JPA, Operating JPA and SWRCB sets forth the terms of the SRF financing and certain covenants and obligations of the parties.

The Project financing team, consisting of LVMWD, TWSD, PFM Financial Advisors LLC (PFM) and Stradling Yocca Carlson & Rauth LLP, have been in negotiations with the SWRCB for several months to finalize the terms of the Loan and Grant Agreement by and among the Financing JPA, the Operating JPA and the SWRCB.

In connection with the SRF financing, the Financing JPA, Operating JPA and SWRCB will enter into the Loan and Grant Agreement. The amounts owed by the Financing JPA and the Operating JPA under the Loan and Grant Agreement will be payable from amounts paid directly to the Financing JPA by LVMWD and TWSD under separate Payment Agreements between the applicable district, the Financing JPA and the Operating JPA. Under each Payment Agreement, the applicable district will agree to pay a share of the debt service payable under the Loan and Grant Agreement. The share of debt service allocable to LVMWD is 70.60% and the share of debt service allocable to TWSD is 29.40%.

GOALS:

Ensure Effective Utilization of the Public's Assets and Money

Prepared by: Brian Richie, Director of Finance and Technology

ATTACHMENTS:

[Proposed Resolution No. 39](#)

[Form of SRF Loan and Grant Agreement](#)

RESOLUTION NO. 39

A RESOLUTION OF LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A CONSTRUCTION LOAN AND GRANT AGREEMENT AMONG LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY, LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY AND CALIFORNIA STATE WATER RESOURCES CONTROL BOARD, AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH

WHEREAS, the Las Virgenes Municipal Water District, a municipal water district that is duly organized and existing under the Municipal Water District Act (Water Code Section 71000 et seq. of the State of California) (the “LVMWD”), and Triunfo Water & Sanitation District, a county sanitation district that is duly organized and existing under the County Sanitation District Act (Health & Safety Code Section 4700 et seq. of the State of California) (“TWSD” and, together with LVMWD, the “Project Participants”), are members of the Las Virgenes-Triunfo Joint Powers Authority, a joint exercise of powers agency relating to joint facilities of Las Virgenes Municipal Water District and Triunfo Water & Sanitation District (the “Operating JPA”), and jointly operate certain facilities through the Operating JPA; and

WHEREAS, the Project Participants and the Operating JPA desire to finance the design and construction of the Pure Water Project, which will be owned and operated by the Operating JPA and will consist of an advanced water purification facility to treat effluent from the Operating JPA’s Tapia Water Reclamation Facility for potable use (the “Project”); and

WHEREAS, the Las Virgenes-Triunfo Public Financing Authority, a joint exercise of powers agency that is duly organized and existing under and by virtue of the laws of the State of California (the “Financing JPA”), has been requested to assist the Project Participants and the Operating JPA in connection with the acquisition of the Project; and

WHEREAS, the Financing JPA and the Operating JPA have determined that it is in the best interest of the Financing JPA, the Operating JPA and the Project Participants to enter into a Construction Loan and Grant Agreement (the “Construction Loan and Grant Agreement”) with the California State Water Resources Control Board for the purpose of funding a portion of the Project; and

WHEREAS, the governing bodies of each of the Operating JPA and Financing JPA have previously approved the execution and delivery of separate payment agreements with each of the Project Participants (each, a “Payment Agreement”), pursuant to which each Project Participant has agreed to pay their allocated share of debt service relating to the financing of the Project, which would include the Project Participant’s allocated share of the Obligations (as such term is defined in the Construction Loan and Grant Agreement); and

WHEREAS, in accordance with California Government Code Section 5852.1, the Operating JPA has obtained and wishes to disclose the information set forth in Exhibit A.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LAS VIRGENES – TRIUNFO JOINT POWERS AUTHORITY AS FOLLOWS:

SECTION 1. Approval of Recitals. The Operating JPA hereby finds and determines that the foregoing recitals are true and correct.

SECTION 2. Authorization of the Construction Loan and Grant Agreement. The Construction Loan and Grant Agreement is hereby approved substantially in the form on file with the Secretary. Each of the Chair or Vice Chair of the governing body of the Operating JPA (the “Board”) or the designee thereof (each, an “Authorized Officer”), acting alone, is hereby authorized and directed to execute and deliver the Construction Loan and Grant Agreement such changes, insertions and omissions as may be recommended by the Operating JPA’s General Counsel or Stradling Yocca Carlson & Rauth LLP, as bond counsel (“Bond Counsel”), and approved by the Authorized Officer executing the same, said execution being conclusive evidence of such approval; provided that the principal amount authorized to be drawn under the Construction Loan and Grant Agreement shall not exceed \$85,000,000.

SECTION 3. Other Actions. The Board hereby approves and authorizes the performance of each Payment Agreement by the Operating JPA. Each Authorized Officer, acting alone, is hereby authorized and directed to execute and deliver each Payment Agreement with such changes, insertions and omissions as may be recommended by the Operating JPA’s General Counsel or Bond Counsel, and approved by the officer or employee executing the same, said execution being conclusive evidence of such approval. The Authorized Officers, the Secretary or any other proper officer of the Operating JPA, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents, agreements, certificates and instruments or any amendments related to the foregoing and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Construction Loan and Grant Agreement and this Resolution, and any actions previously taken, including but not limited to the prior approval of the Payment Agreements, in connection with such matters is hereby ratified. In the event that the Chair and Vice Chair of the Board are unavailable to sign any of the agreements described herein, any other member of the Board or Authorized Officer may sign such agreement.

SECTION 4. Definitions. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given to such terms in the Construction Loan and Grant Agreement, unless the context otherwise clearly requires.

SECTION 5. Effective Date of Resolution. This Resolution shall take effect immediately.

PASSED, APPROVED, AND ADOPTED this 6th day of April, 2026.

Chair

ATTEST:

Vice Chair

APPROVED AS TO FORM:

W. Keith Lemieux, Agency Counsel

EXHIBIT A

GOOD FAITH ESTIMATES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

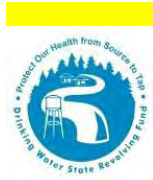
The good faith estimates set forth herein are provided with respect to the Construction Loan and Grant Agreement in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Las Virgenes-Triunfo Public Financing Authority by PFM Financial Advisors LLC.

- (A) True Interest Cost of the Construction Loan and Grant Agreement: 2.200%
- (B) Finance Charge of the Construction Loan and Grant Agreement (Sum of all fees/charges paid to third parties): \$105,000
- (C) Net Proceeds of the Construction Loan and Grant Agreement to be received (net of finance charges, reserves and capitalized interest, if any): \$84,240,000
- (D) Total Payment Amount through maturity of the Construction Loan and Grant Agreement: \$95,316,758

The foregoing constitute good faith estimates only. The principal amount of the Construction Loan and Grant Agreement, the true interest cost of the Construction Loan and Grant Agreement, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of the execution of the Construction Loan and Grant Agreement being different than the date assumed for purposes of such estimates; (b) the actual of principal amount of the Construction Loan and Grant Agreement being different from the estimated amount used for purposes of such estimates; (c) the actual amortization of the Construction Loan and Grant Agreement being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of execution of the Construction Loan and Grant Agreement being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the Operating JPA's financing plan, or a combination of such factors.

The actual date of execution of the Construction Loan and Grant Agreement and the principal amount of the Construction Loan and Grant Agreement will be determined by the Operating JPA based on a variety of factors. The actual interest rate borne by the Construction Loan and Grant Agreement will depend on market interest rates at the time of sale thereof. The actual amortization of Construction Loan and Grant Agreement will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Operating JPA.

DRAFT DATED: 3/6/2026



**CLEAN WATER
WATER RECYCLING FUNDING PROGRAM**

LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY

AND

CALIFORNIA STATE WATER RESOURCES CONTROL BOARD



CONSTRUCTION
LOAN AND GRANT

[PROJECT NO. and NAME]

AGREEMENT NO. []

PROJECT FUNDING AMOUNT: \$
TOTAL GRANT COMPONENT: \$15,000,000.00
PROPOSITION 4 GRANT COMPONENT: \$13,619,226.00
GENERAL FUND GRANT COMPONENT: \$1,380,774.00
ESTIMATED REASONABLE PROJECT COST: \$

ELIGIBLE WORK START DATE: _____
ELIGIBLE CONSTRUCTION START DATE: _____

COMPLETION OF CONSTRUCTION DATE: _____
PAYMENT START DATE : [one year from CC]
FINAL REIMBURSEMENT REQUEST DATE: _____
FINAL PAYMENT DATE: _____
RECORDS RETENTION END DATE: _____

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AGREEMENT

1. AUTHORITY.

(a) The State Water Resources Control Board (State Water Board) is authorized, and implements its authority, to provide financial assistance under this Agreement pursuant to Senate Bill 108 (Stats. 2024, Ch. 35), Item 3940-106-0001, Sections 13475 et seq. and 79765 et seq. of the Water Code, Sections 91000, 91010, and 91014 of the Public Resources Code, and Resolution Nos. 2019-0058, 2025-0013, 2025-0022, 2025-0024, and 2026-0002.

(b) The Recipient is authorized to enter into this Loan Agreement (Agreement) pursuant to [Authorized Rep] Resolution No. _____.

(c) The Operating JPA is authorized to enter into this Agreement pursuant to Resolution No. _____.

2. INTENTION.

(a) The Operating JPA is a joint powers authority created by its Members, Las Virgenes Municipal Water District and Triunfo Water and Sanitation District, for the purpose of jointly operating certain facilities. The Operating JPA proposes to acquire, construct and operate the Project, which will include the Advanced Water Purification Facility. The Members and the Operating JPA intend to finance the acquisition and construction of the Project through the Recipient, a joint powers authority of which the Members are members, and with the proceeds of Project Bonds. It is the intention of the parties that the Operating JPA will construct, maintain, operate, and own the Project and cause the Members to pay their Member Payment Obligations and Project Bonds Payments to the Recipient pursuant to the Payment Agreements and to the Operating JPA pursuant to the Operating JPA Agreement.

(b) The Recipient and Operating JPA desire to receive financial assistance for and undertake work required for the recycled water construction Project according to the terms and conditions set forth in this Agreement.

(c) The State Water Board proposes to assist in providing financial assistance for eligible costs of the Project in the amount set forth in Exhibit B, according to the terms and conditions set forth in this Agreement, with the expectation that the Recipient shall repay a portion of the financial assistance to the State Water Board.

(d) The Recipient intends to evidence its obligation to submit Payments to the State Water Board and secure its obligation with its Revenues, as set forth in Exhibit B, according to the terms and conditions set forth in this Agreement.

(e) The Recipient intends to certify and evidence its compliance with the Tax Covenants set forth in Exhibit F.

3. AGREEMENT, TERM, DOCUMENTS INCORPORATED BY REFERENCE.

In consideration of the mutual representations, covenants and agreements herein set forth, the State Water Board, the Recipient, and the Operating JPA each binding itself, its successors and assigns, do mutually promise, covenant, and agree to the terms, provisions, and conditions of this Agreement.

(a) The State Water Board hereby makes a loan to the Recipient in accordance with the provisions of this Agreement, which constitutes a secured promissory note for repayment of the loan.

(b) Subject to the satisfaction of all conditions precedent to this Agreement, this Agreement shall become effective upon signature by all of: the Recipient, the Operating JPA and the State Water Board. Conditions precedent are not limited to the following:

- i. The Recipient and the Operating JPA must each deliver to the Division a resolution authorizing this Agreement, and must deliver resolutions of each of the Members authorizing the Payment Agreements.
- ii. The Recipient must deliver executed Payment Agreements with each of the Members in accordance with the requirements for the Payment Agreements detailed herein and satisfactory to the State Water Board's counsel, providing for the pledge of the Member Net Revenues of each Operating JPA Member to the payment of the Recipient's Obligation.
- iii. The Recipient must deliver an opinion of bond counsel and general counsel satisfactory to the State Water Board's counsel dated on or after the date that the Recipient signs this Agreement.
- iv. The Recipient must deliver opinions of general counsel and bond counsel to the Members satisfactory to the State Water Board's counsel dated on or after the execution date of the Payment Agreements.

(c) Upon execution, the term of the Agreement shall begin on the Eligible Work Start Date and extend through the Final Payment Date.

(d) This Agreement includes the following exhibits and attachments thereto:

- i. EXHIBIT A – SCOPE OF WORK
- ii. EXHIBIT B – FUNDING TERMS
- iii. EXHIBIT C – GENERAL & PROGRAMMATIC TERMS & CONDITIONS
- iv. EXHIBIT D – SPECIAL CONDITIONS
- v. EXHIBIT E – PAYMENT SCHEDULE
- vi. EXHIBIT F – TAX CERTIFICATE
- vii. EXHIBIT G—LAS VIRGENES PAYMENT AGREEMENT
- viii. EXHIBIT H—TRIUNFO PAYMENT AGREEMENT

(e) This Agreement includes the following documents incorporated by reference, as well as any documents incorporated by reference in Exhibit D:

- i. [if DFA has it] the Final Plans & Specifications, dated _____, which are the basis for the construction contract to be awarded by the Recipient, including any changes approved by the Division;
 - ii. [if DFA doesn't have the final plans and specs] the Final Plans & Specifications, which are the basis for the construction contract to be awarded by the Recipient, including any changes approved by the Division;
 - iii. the Waste Discharge Requirement Order No. _____ (and/or National Pollutant Discharge Elimination System Permit No. _____), and any amendments thereto;
 - iv. the Water Recycling Requirement Order No. _____, and any amendments thereto;
 - v. the Recipient's Reimbursement Resolution No. _____ dated _____;
 - vi. the Recipient's Tax Questionnaire dated _____.
- the federal Davis-Bacon requirements. By accepting this Agreement, the Recipient acknowledges and agrees to the terms and conditions provided in the [DBRA Requirements for EPA Subrecipients | US EPA](https://www.epa.gov/grants/dbra-requirements-epa-subrecipients) (<https://www.epa.gov/grants/dbra-requirements-epa-subrecipients>). The Recipient shall ensure that the following language is included in all contracts and subcontracts funded under this Agreement:

By accepting this contract, the contractor acknowledges and agrees to the terms and conditions provided in the [Contract Provisions for Davis-Bacon and Related Acts | US EPA \(https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts\)](https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts).

(For reference, see also https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/davisbacon.html.)

vii. [other incorporated documents, if any]

- (f) This Agreement, and any amendments hereto, may be executed and delivered in any number of counterparts, each of which when delivered shall be deemed to be an original, but such counterparts shall together constitute one document. The parties may sign this Agreement, and any amendments hereto, either by an electronic signature using a method approved by the State Water Board or by a physical, handwritten signature. The parties mutually agree that an electronic signature using a method approved by the State Water Board is the same as a physical, handwritten signature for the purposes of validity, enforceability, and admissibility.

4. PARTY CONTACTS

State Water Board		[Recipient]	
Section:	Division of Financial Assistance		
Name:	xxxx, Project Manager	Name:	Title
Address:	1001 I Street, Floor	Address:	
City, State, Zip:	Sacramento, CA 95814	City, State, Zip:	
Phone:	(916)	Phone:	
Email:	[PMemail]@waterboards.ca.gov [programemail@waterboards.ca.gov]	Email:	

The Recipient may change its contact upon written notice to the Division, which notice shall be accompanied by authorization from the Recipient's Authorized Representative. The State Water Board will notify the Recipient of any changes to its contact.

While the foregoing are contacts for day-to-day communications regarding Project work, the Recipient and Operating JPA shall provide official communications and events of Notice as set forth in Exhibit C to the Division's Deputy Director.

5. DEFINITIONS.

Unless otherwise specified, each capitalized term used in this Agreement has the following meaning:

"Additional Payments" means the reasonable extraordinary fees and expenses of the State Water Board, and of any assignee of the State Water Board's right, title, and interest in and to this Agreement, in connection with this Agreement, including all expenses and fees of accountants, trustees, staff, contractors, consultants, costs, insurance premiums and all other extraordinary costs reasonably incurred by the State Water Board or assignee of the State Water Board.

"Advanced Water Purification Facility" means the advanced water purification facility to treat effluent from the Operating JPA's Tapia Water Reclamation Facility for potable reuse, which is to be constructed as

part of the Project as described in Exhibit A, Exhibit B, and documents incorporated by reference herein. The Advanced Water Purification Facility is deemed to be part of the Joint System.

"Allocated Share" means, with respect to each Member, the share of Payments, Additional Payments, Reserve Fund Contributions, Member Contributions, Project Bond Payments, and all other amounts required to be paid under this Agreement for which the Member is responsible for payment under its respective Payment Agreement and the Operating JPA Agreement. The Allocated Share of Las Virgenes Municipal Water District is 70.60% and the Allocated Share of Triunfo Water and Sanitation District is 29.40%.

"Allowance" means an amount based on a percentage of the accepted bid for an eligible project to help defray the planning, design, and construction engineering and administration costs of the Project.

"Agreement" means this agreement, including all exhibits and attachments hereto.

"Authorized Representative" means the duly appointed representative of the Recipient or of the Operating JPA as set forth in the certified originals of the authorizing resolutions of the Recipient and of the Operating JPA that designate the authorized representative by title.

"Bank" means the California Infrastructure and Economic Development Bank.

"Bond Funded Portion of the Project Funds" means any portion of the Project Funds which was or will be funded with Bond Proceeds.

"Bond Proceeds" means original proceeds, investment proceeds, and replacement proceeds of Bonds.

"Bonds" means any series of bonds issued by the Bank, the interest on which is excluded from gross income for federal tax purposes, all or a portion of the proceeds of which have been, are, or will be applied by the State Water Board to fund all or any portion of the Project Costs or that are secured in whole or in part by Payments paid hereunder.

"Charge In Lieu of Interest" means any fee or charge in lieu of some or all of, but not to exceed, the interest that would otherwise be owed under this Agreement, as set forth in Exhibit E.

"Code" as used in Exhibit F of this Agreement means the Internal Revenue Code of 1986, as amended, and any successor provisions and the regulations of the U.S. Department of the Treasury promulgated thereunder.

"Completion of Construction" means the date, as determined by the Division after consultation with the Recipient and Operating JPA, that the work of building and erection of the Project is substantially complete, and is identified in Exhibit A of this Agreement.

"Construction Period Interest" (CPI) means interest that accrues on disbursed Project Funds prior to Completion of Construction. Construction Period Interest is capitalized at Completion of Construction.

"Cover Page" means the front page of this Agreement.

"Days" means calendar days unless otherwise expressly indicated.

"Debt Service" means, as of any date, with respect to outstanding Project Bonds and Member Obligations and, in the case of the additional debt tests in Exhibit B of this Agreement, any Project Bonds or Member Obligations that are proposed to be outstanding, the aggregate amount of principal (excluding Excluded Principal) and interest scheduled to become due (either at maturity or by mandatory redemption),

together with any Charge In Lieu of Interest on this Obligation or other Project Bonds or Member Obligations owed to the State Water Board, calculated with the following assumptions:

- a. Principal payments (unless a different subdivision of this definition applies for purposes of determining principal maturities or amortization) are made in accordance with any amortization schedule published for such principal, including any minimum sinking fund payments;
- b. Interest on a variable rate Project Bond or Member Obligation that is not subject to a swap agreement and that is issued or will be issued as a tax-exempt obligation under federal law, is assumed to be (i) a fixed rate equal to the average variable rate borne over the preceding twelve (12) months by outstanding variable rate debt issued or executed by the Recipient, or (ii) if no such variable rate debt is outstanding at the time of the calculation, the average of the SIFMA Municipal Swap Index, or its successor index, during the 24 months preceding the date of such calculation;
- c. Interest on a variable rate Project Bond or Member Obligation that is not subject to a swap agreement and that is issued or will be issued as a taxable obligation under federal law, is assumed to be (i) a fixed rate equal to the average variable rate borne over the preceding twelve (12) months by outstanding variable rate debt issued or executed by the Recipient, or (ii) if no such variable rate debt is outstanding at the time of the calculation, the average of SOFR, or its successor index, during the 24 months preceding the date of such calculation;
- d. Interest on a variable rate Project Bond or Member Obligation that is subject to a swap agreement is the fixed swap rate or cap strike rate, as appropriate, if the variable rate has been swapped to a fixed rate or capped pursuant to an interest rate cap agreement or similar agreement;
- e. Interest on a fixed rate Project Bond or Member Obligation that is subject to a swap agreement such that all or a portion of the interest has been swapped to a variable rate shall be treated as variable rate debt under subdivisions (b) or (c) of this definition of Debt Service;
- f. As to any Project Bond or Member Obligation or portion thereof which bear no interest but which are sold at a discount and which discount accretes with respect to such Project Bond or Member Obligation or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service;
- g. Payments of principal and interest on a Project Bond or Member Obligation are excluded from the calculation of Debt Service to the extent such payments are to be paid from amounts then currently on deposit with a trustee or other fiduciary and restricted for the defeasance of such Project Bond or Member Obligation;
- h. If 25% or more of the principal of a Project Bond or Member Obligation is not due until its final stated maturity (and such principal is not Excluded Principal), then principal and interest on that Project Bond or Member Obligation may be projected to amortize over the lesser of 30 years or the Useful Life of the financed asset, and interest may be calculated according to subdivisions (b)-(f) of this definition of Debt Service, as appropriate.
- i. Interest shall not include any interest capitalized from proceeds of a Project Bond or Member Obligation.

"Deputy Director" means the Deputy Director of the Division.

"Division" means the Division of Financial Assistance of the State Water Board or any other segment of the State Water Board authorized to administer this Agreement.

“Eligible Construction Start Date” means the date set forth on the Cover Page of this Agreement, establishing the date on or after which construction costs may be incurred and eligible for reimbursement hereunder.

“Eligible Work Start Date” means the date set forth on the Cover Page of this Agreement, establishing the date on or after which any non-construction costs may be incurred and eligible for reimbursement hereunder.

“Event of Default” means the occurrence of any of the following events:

- a) Failure by the Recipient to make any payment required to be paid pursuant to this Agreement, including Payments;
- b) A representation or warranty made by or on behalf of the Recipient or the Operating JPA in this Agreement or in any document furnished by or on behalf of the Recipient or the Operating JPA to the State Water Board pursuant to this Agreement shall prove to have been inaccurate, misleading or incomplete in any material respect;
- c) A material adverse change in the condition of the Recipient, the Operating JPA, the Revenues, the Member Revenues, the Joint System, or any Member System which the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement.
- d) Failure by the Recipient to comply with the additional debt test or reserve fund requirement, if any, in Exhibit B or Exhibit D of this Agreement;
- e) Failure to operate the Joint System or the Project without the Division's approval;
- f) Failure by the Recipient or the Operating JPA to observe and perform any covenant, condition, or provision in this Agreement, which failure shall continue for a period of time, to be determined by the Division;
- g) The occurrence of a material breach or event of default under any System Obligation, Material Obligation, or Member Obligation that results in the acceleration of principal or interest or otherwise requires immediate prepayment, repurchase or redemption;
- h) Initiation of proceedings seeking arrangement, reorganization, or any other relief under any applicable bankruptcy, insolvency, or other similar law; the appointment of or taking possession of the property of any Project Party by a receiver, liquidator, assignee, trustee, custodian, conservator, or similar official; any Project Party entering into a general assignment for the benefit of creditors; the initiation of resolutions or proceedings to terminate the existence of any Project Party, or any action in furtherance of any of the foregoing;
- i) A determination pursuant to Gov. Code section 11137 that any Project Party has violated any provision in Article 9.5 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code;
- j) The occurrence of a material breach or event of default under, or termination of, any agreement providing for payments to the Recipient for the payment of Debt Service, payment of Member Contributions, payment of Reserve Fund Contributions, and/or the continued existence, operation, and maintenance of the Operating JPA, the Recipient, the Joint System, the Advanced Water Purification Facility, or the Project, including but not limited to:
 - Either Payment Agreement
 - The Joint Exercise of Powers Agreement by and between Las Virgenes Municipal Water District and Triunfo Water & Sanitation District, dated as of January 26, 2009 and as amended from time to time (the “Operating JPA Agreement”)
 - The Joint Exercise of Powers Agreement, dated as of September 1, 2023, by and between Las Virgenes Municipal Water District and Triunfo Water & Sanitation District, pursuant to which the Recipient was established (“The PFA Agreement”)

k) Loss of the rights, licenses, permits, or privileges necessary for the operation of the Joint System, the Project, or any Member System or the occurrence of any material restraint on the Recipient's enterprise by a government agency or court order.

"Excluded Principal" means each payment of principal of any Project Bond or Member Obligation: (1) which is commercial paper or otherwise of a revolving or short-term nature and has a maturity of less than 60 months; and (2) for which a certificate of an authorized representative of the Recipient or the applicable Member has been prepared to the effect that the Recipient or Member intends to pay such principal from the proceeds of Project Bonds, Member Obligations or other obligations or moneys other than Revenues or Member Revenues.

"Final Budget Approval" (FBA) means the Division's written approval of the final budget for the Project or a phase of the Project.

"Final Payment Date" is the date by which all principal and accrued interest due under this Agreement is to be paid in full to the State Water Board and is specified on the Cover Page of this Agreement.

"Final Reimbursement Request Date" means the date set forth as such on the Cover Page of this Agreement, after which date, no further Project Funds disbursements may be requested.

"Fiscal Year" means the period of twelve (12) months terminating on June 30 of any year, or any other annual period selected and designated by the Recipient or a Member Agency as its Fiscal Year in accordance with applicable law.

"Force Account" means the use of the Project Parties' own employees, equipment, or resources for the Project.

"GAAP" means generally accepted accounting principles, the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor, or the Uniform System of Accounts, as adopted by the California Public Utilities Commission for water utilities.

"Guidelines" means the State Water Board's "Water Recycling Funding Program guidelines," in effect as of the execution date of this Agreement.

"Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the Project (i.e., costs that are not directly related to the Project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Recipient; non-project-specific accounting and personnel services performed within the Recipient organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; generic overhead or markup; and taxes.

"Initiation of Construction" means the date that notice to proceed with work is issued for the Project, or, if notice to proceed is not required, the date of commencement of building and erection of the Project.

"Joint System" means the facilities owned jointly by the Members pursuant to the Operating JPA Agreement.

"Las Virgenes Member Revenues" means the income, rents, rates, fees, charges, and other moneys derived by Las Virgenes Municipal Water District from the ownership or operation of the Las Virgenes System including, without limiting the generality of the foregoing: (i) all income, rents, rates, fees, charges or other moneys derived from the sale and distribution of potable and recycled water and the collection,

conveyance, treatment, reclamation and disposal of wastewater and other services, facilities and commodities sold, furnished or supplied through the facilities of the Las Virgenes System, including standby and availability charges, capital facilities fees for design, construction and reconstruction expenses, development fees and other fees allocable to the Las Virgenes System; (ii) taxes or assessments as may be imposed if the levy thereof and payment thereof is permitted by law; (iii) the earnings on and income derived from amounts set forth in clauses (i) and (ii) above; and (iv) deposits to Las Virgenes Municipal Water District's Member Enterprise Fund from amounts on deposit in the Las Virgenes Rate Stabilization Fund in accordance with Section 14 of the Las Virgenes Payment Agreement; but excluding in all cases: (x) customers' deposits or any other deposits subject to refund until such deposits have become the property of the Purchaser; (y) proceeds of any taxes or assessments except taxes or assessments described in clause (ii) above; and (z) Las Virgenes Member Revenues transferred from Las Virgenes Municipal Water District's Member Enterprise Fund to the Las Virgenes Rate Stabilization Fund in accordance with Section 4(b)(iii) of the Las Virgenes Payment Agreement.

"Las Virgenes Potable Water Enterprise" means the existing facilities and property owned by Las Virgenes Municipal Water District in connection with the water distribution and supply services of Las Virgenes Municipal Water District, together with all extensions thereof and improvements thereto hereafter acquired, constructed or installed by Las Virgenes Municipal Water District.

"Las Virgenes Rate Stabilization Fund" means the Las Virgenes Municipal Water District account designated as Fund 603, together with other accounts created in the future and designated by the Las Virgenes Municipal Water District Board of Directors as a part of the "Rate Stabilization Fund" created pursuant to Section 14 of the Las Virgenes Payment Agreement.

"Las Virgenes Recycled Water System" means all wastewater, water recycling, and/or potable water collection, pumping, transport, treatment, storage, and/or disposal facilities, including land and easements thereof, owned by Las Virgenes Municipal Water District, and all other properties, structures or works hereafter acquired and constructed by Las Virgenes Municipal Water District and determined to be a part of the Las Virgenes Recycled Water System, together with all additions, betterments, extensions or improvements to such facilities, properties, structures, or works, or any part thereof hereafter acquired and constructed.

"Las Virgenes Subsystem" has the meaning given in Exhibit D.

"Las Virgenes System" means properties and assets, real and personal, tangible and intangible, of Las Virgenes Municipal Water District now or hereafter existing, used or pertaining to the purchase, collection, treatment, pumping, transport, storage, sale and distribution of potable and recycled water and the collection, conveyance, pumping, treatment, reclamation, storage and disposal of wastewater, including all additions, extensions, expansions, improvements and betterments thereto and equipment relating thereto; provided, however, that to the extent that Las Virgenes Municipal Water District is not the sole owner of an asset or property or to the extent that an asset is used only in part for the above-described water or wastewater purposes, only Las Virgenes Municipal Water District's ownership interest in such asset or property or only the part of the asset or property so used for water or wastewater purposes shall be considered to be part of the Las Virgenes System.

"Las Virgenes Wastewater System" means all wastewater collection, pumping, transport, treatment, storage, and disposal facilities, including land and easements thereof, owned by Las Virgenes Municipal Water District, and all other properties, structures, or works hereafter acquired and constructed by Las Virgenes Municipal Water District and determined to be a part of the Las Virgenes Wastewater System, together with all additions, betterments, extensions, or improvements to such facilities, properties, structures, or works, or any part thereof hereafter acquired and constructed.

“Listed Event” means, so long as any Project Party has outstanding any Project Bonds or Member Obligation subject to Rule 15c2-12, any of the events required to be reported with respect to such Project Bonds or Member Obligation pursuant to Rule 15c2-12(b)(5).

“Material Obligation” means an obligation of the Recipient that is material to this transaction, including Project Bonds.

“Maximum Annual Debt Service” means the maximum amount of Debt Service due on Project Bonds or Member Obligations in a Fiscal Year during the period commencing with the Fiscal Year for which such calculation is made and within the next five years in which Debt Service for any Project Bonds or Member Obligations will become due.

“Member Authorized Representative” means, with respect to each Member, the duly appointed representative of the Member as set forth in the certified originals of the authorizing resolution of the Member that designates the authorized representative by title.

“Member Contributions” means deposits to the operations and construction funds of the Operating JPA made by the Members pursuant to the Operating JPA Agreement.

“Member Enterprise Fund” means, with respect to each Member, the enterprise fund of the Member in which Member Revenues are deposited.

“Member Material Obligation” means, with respect to each Member, an obligation of the Member that is material to this transaction, including Member Obligations.

“Member Net Revenues” means, for any Fiscal Year and with respect to each Member, all Member Revenues received by the Member less the Member Operations and Maintenance Costs for such Fiscal Year.

“Member Obligation” means, with respect to each Member, any obligation of the Member payable from the Member Revenues, including but not limited to its Member Payment Obligation, any Member Parity Obligation, any Member Subordinate Obligation, and such additional obligations as may hereafter be issued in accordance with the provisions of such obligation, the Member Payment Agreement, and this Agreement.

“Member Operations and Maintenance Costs” means, with respect to each Member, the reasonable and necessary costs spent or incurred by a Member for maintaining and operating their Member System, determined in accordance with GAAP, including (among other things) payments under the Payment Agreements, all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Member System in good repair and working order, and including all reasonable and necessary administrative costs of the Member that are charged directly or apportioned to the operation of the Member System, such as salaries and wages of employees, payments to the Public Employee Retirement System, overhead, taxes (if any), the costs of permits, licenses, charges to operate the Member System and insurance premiums, and potable and recycled water purchase and production costs; but excluding, in all cases (i) depreciation, replacement, and obsolescence charges or reserves therefor and (ii) amortization of intangibles or other bookkeeping entries of a similar nature.

“Member Parity Obligation” means, with respect to each Member, a debt obligation of the Member on parity with the Member’s Member Payment Obligation.

With respect to Las Virgenes Municipal Water District, the Member Parity Obligations are these:

- The Amended and Restated Installment Purchase Agreement by and between Las Virgenes Municipal Water District and Key Government Finance, Inc., dated as of June 1, 2025 relating to the \$10,100,000 Las Virgenes Municipal Water District, Potable Water, Series 2020 Placement (the “2020 Las Virgenes IPA”).

With respect to Triunfo Water & Sanitation District, there are no Member Parity Obligations.

“Member Payment Obligation” means, with respect to each Member, the Member’s obligation to make Member Payments for its Allocated Share of any and all amounts owed by the Recipient or the Operating JPA to the State Water Board under this Agreement, including but not limited to Payments and Additional Payments, and the Member’s obligation to make Member Contributions, Reserve Fund Contributions, and Project Bond Payments. Each Member’s Member Payment Obligation shall be secured via its respective Payment Agreement by a pledge of the Member’s Member Net Revenues in accordance with the requirements of Exhibit D.

“Member Payments” means the payments made by each Member under its Payment Agreement reflecting the Members’ Member Payment Obligations.

“Member Revenues” means, for any Fiscal Year, the Las Virgenes Member Revenues with respect to Las Virgenes Municipal Water District and the Triunfo Member Revenues with respect to Triunfo Water & Sanitation District.

“Member Senior Obligation” means, with respect to each Member, a debt obligation of the Member that is senior to the Member’s Member Payment Obligation. There are no Member Senior Obligations.

“Member Subordinate Obligation” means, with respect to each Member, a debt obligation of the Member that is subordinate to the Member’s Member Payment Obligation. There are no Member Subordinate Obligations.

“Member System” means the Las Virgenes System with respect to Las Virgenes Municipal Water District and the Triunfo System with respect to Triunfo Water and Sanitation District (together, the “Member Systems”).

“Members” means the members of the Operating JPA, Las Virgenes Municipal Water District and Triunfo Water and Sanitation District (each, a “Member”).

“Obligation” means the obligation of the Recipient to make Payments (including Additional Payments) as provided herein, as evidenced by the execution of this Agreement, proceeds of such obligations being used to fund the Project as specified in the Project Description in Exhibit A and Exhibit B and in the documents thereby incorporated by reference.

“Operating JPA” means the Las Virgenes-Triunfo Joint Powers Authority. In any provision of this Agreement referencing duties undertaken by the Recipient on behalf of the Operating JPA, the term “Operating JPA” shall also refer to the Recipient.

“Operating JPA Operations and Maintenance Costs” means the reasonable and necessary costs paid or incurred by the Operating JPA for maintaining and operating the Joint System, determined in accordance with GAAP, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Joint System in good repair and working order, and including all reasonable and necessary administrative costs of the Recipient that are charged directly or apportioned to the operation of the Joint System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits, licenses, and charges to operate the Joint System and insurance premiums; but

excluding, in all cases depreciation, replacement, and obsolescence charges or reserves therefor and amortization of intangibles.

"Parity Project Bonds" means all Project Bonds currently existing or hereafter issued in accordance with the requirements of Exhibit B which are payable from Revenues on parity with the Obligation. The Parity Project Bonds are these:

- The WIFIA Loan Agreement Pure Water Project Las Virgenes-Triunfo (WIFIA ID – N22127CA), dated as of [insert date], by and among the United States Environmental Protection Agency, the Operating JPA and the Recipient, relating to the [2025 Bonds] (the "WIFIA Loan")
- [any others issued at execution]

"Payment" means any payment due to the State Water Board from the Recipient pursuant to this Agreement.

"Payment Agreement" means, with respect to Las Virgenes Municipal Water District, the Las Virgenes Municipal Water Payment Agreement attached to this Agreement as Exhibit G (the "Las Virgenes Payment Agreement"), and with respect to Triunfo Water and Sanitation District, the Triunfo Payment Agreement attached to this Agreement as Exhibit H (the "Triunfo Payment Agreement") (together, the "Payment Agreements").

"Policy" means the State Water Board's "Policy for Implementing the Clean Drinking Water State Revolving Fund," as amended from time to time, including the Intended Use Plan in effect as of the execution date of this Agreement.

"Project" means the Project financed by this Agreement as described in Exhibits A and B and in the documents incorporated by reference herein.

"Project Bond Payments" means all payments owed by the Members to the Recipient with respect to Project Bonds other than the Obligation.

"Project Bonds" means all obligations of the Recipient issued or incurred for the purpose of financing the Project and payable from the Revenues either on parity with or subordinate to the Obligation, including the Obligation, all Parity Project Bonds and all Subordinate Project Bonds.

"Project Completion" means the date, as determined by the Division after consultation with the Recipient and the Operating JPA, that operation of the Project is initiated or is capable of being initiated, whichever comes first.

"Project Costs" means the incurred costs of the Recipient or Operating JPA which are eligible for financial assistance under this Agreement, which are allowable costs as defined under the Policy, and which are reasonable, necessary and allocable by the Operating JPA to the Project under GAAP, and may include capitalized interest.

"Project Funds" means all moneys disbursed to the Recipient by the State Water Board for eligible Project Costs pursuant to this Agreement.

"Project Parties" means the Recipient, the Operating JPA, and the Members (each, a "Project Party").

"Recipient" means Las Virgenes-Triunfo Public Financing Authority. In any provision of this Agreement referencing duties undertaken by the Operating JPA on behalf of the Recipient, the term "Recipient" shall also refer to the Operating JPA.

“Records Retention End Date” means the last date that the Recipient is obligated to maintain records and is set forth on the Cover Page of this Agreement.

“Regional Water Quality Control Board” or “Regional Water Board” means the appropriate Regional Water Quality Control Board.

“Reimbursement Resolution” means the Recipient’s reimbursement resolution identified and incorporated by reference in this Agreement.

“Reserve Fund” means the reserve fund required pursuant to Exhibit B of this Agreement.

“Reserve Fund Contributions” means the contributions of the Members to the Recipient made pursuant to the Payment Agreements for the purpose of funding their Allocated Share of the Reserve Fund.

“Revenue Fund” means the special fund of the Recipient in which Revenues are deposited and which fund the Recipient agrees and covenants to hold separate and apart from other funds so long as any Project Bonds remain unpaid.

“Revenues” means the payments received by the Recipient (or by a trustee or holder of Project Bonds) from the Members under the Payment Agreements reflecting each Member’s Allocated Share of Payments, Additional Payments, Reserve Fund Contributions, and Project Bond Payments.

“Rule 15c2-12(b)(5)” means Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

“Senior Obligation” means a debt obligation of the Recipient that is senior to this Obligation. There are no Senior Obligations.

“SRF” means the Clean Water State Revolving Fund.

“State” means State of California.

“State Water Board” means the State Water Resources Control Board.

“Subordinate Project Bonds” means all Project Bonds currently existing or hereafter issued in accordance with the requirements of Exhibit B which are payable from Revenues subordinate to the Obligation. There are no Subordinate Project Bonds.

“Triunfo Member Revenues” means the income, rents, rates, fees, charges, and other moneys derived by Triunfo Water & Sanitation District from the ownership or operation of the Triunfo System including, without limiting the generality of the foregoing: (i) all income, rents, rates, fees, charges or other moneys derived from the collection, conveyance, treatment, reclamation and disposal of wastewater and other services, facilities and commodities sold, furnished or supplied through the facilities of the Triunfo System, including standby and availability charges, capital facilities fees for design, construction and reconstruction expenses, development fees and other fees allocable to the Triunfo System; (ii) taxes or assessments as may be imposed if the levy thereof and payment thereof is permitted by law; (iii) the earnings on and income derived from amounts set forth in clauses (i) and (ii) above; and (iv) deposits to Triunfo Water & Sanitation District’s Member Enterprise Fund from amounts on deposit in the Triunfo Rate Stabilization Fund in accordance with Section 14 of the Triunfo Payment Agreement; but excluding in all cases: (x) customers’ deposits or any other deposits subject to refund until such deposits have become the property of Triunfo Water & Sanitation District; (y) proceeds of any taxes or assessments except taxes or assessments described in clause (ii) above; and (z) Triunfo Member Revenues

transferred from Triunfo Water & Sanitation District's Member Enterprise Fund to the Triunfo Rate Stabilization Fund in accordance with Section 4(b)(iii) of the Triunfo Payment Agreement.

"Triunfo Rate Stabilization Fund" means the Purchaser account designated as account number 90040, together with other accounts created in the future and designated by the Board of Directors of Triunfo Water & Sanitation District as a part of the Rate Stabilization Fund created pursuant to Section 14 of the Triunfo Payment Agreement.

"Triunfo System" means properties and assets, real and personal, tangible and intangible, of Triunfo Water and Sanitation District now or hereafter existing, used or pertaining to the collection, conveyance, treatment, storage, reclamation and disposal of wastewater, including all additions, extensions, expansions, improvements and betterments thereto and equipment relating thereto; provided, however, that to the extent that Triunfo Water and Sanitation District is not the sole owner of an asset or property or to the extent that an asset or property is used only in part for the above-described wastewater purposes, only Triunfo Water and Sanitation District's ownership interest in such asset or property or only the part of the asset or property so used for wastewater purposes shall be considered to be part of the Triunfo System.

"Useful Life" means the economically useful life of the Project beginning at Completion of Construction and is set forth in Exhibit A.

"Water Supply Debt" means a payment obligation of the Recipient, the Operating JPA, or any Member which is payable from the Revenues or the Member Revenues and arises pursuant to any agreement for the purchase or supply of water, which obligation: (a)(i) is owed by the Recipient, Operating JPA, or Member irrespective of the amount of water such party receives under the agreement, including if such entity receives no water under the agreement, and (ii) reflects principal and interest on, or reimbursement of, capital costs incurred by the counterparty to the agreement; or (b) is paid for the benefit of the creditors of the counterparty to the agreement. The Recipient, Operating JPA, and the Members have no Water Supply Debt.

"Year" means calendar year unless otherwise expressly indicated.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY:

By: _____
Name: [Officer]
Title: [Title1]

Date: _____

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY:

By: _____
Name: [Officer]
Title: [Title1]

Date: _____

STATE WATER RESOURCES CONTROL BOARD:

By: _____
Name: [Officer]
Title: Deputy Director
Division of Financial Assistance

Date: _____

EXHIBIT A – SCOPE OF WORK

A.1. PROJECT DESCRIPTION, USEFUL LIFE, AND SCOPE OF WORK.

(a) The Project is the project set forth on the Cover Page of this Agreement.

(b) The Useful Life of this Project is at least _____ years.

(c) Project Purpose and Description

[leave placeholder “to be inserted by DFA”]

(d) Scope of Work.

The Operating JPA agrees to do the following:

[leave placeholder “to be inserted by DFA”]

A.2. STANDARD PROJECT REQUIREMENTS.

A.2.1 Acknowledgements.

The Recipient and Operating JPA shall include the following acknowledgement in any document, written report, or brochure prepared in whole or in part pursuant to this Agreement:

“Funding for this project has been provided in full or in part through Agreement No. Dxxxxxx with the State Water Resources Control Board. California's Clean Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds. The contents of this document do not necessarily reflect the views and policies of the foregoing agencies, nor do the foregoing agencies endorse trade names or recommend the use of commercial products mentioned in this document, as well as images, video, text, or other content created by generative artificial intelligence tools, nor does any such content reflect the views and policies of the foregoing.

A.2.2 Reports

A.2.2.1 Progress Reports.

(a) The Recipient must provide a progress report to the Division each quarter, beginning no later than 90 days after execution of this Agreement.

(b) The Recipient must provide a progress report with each reimbursement request. Failure to provide a complete and accurate progress report may result in the withholding of Project Funds, as set forth in Exhibit B.

(c) A progress report must contain the following information:

- i. A summary of progress to date including a description of progress since the last report, percent construction complete, percent contractor invoiced, and percent schedule elapsed;
- ii. A description of compliance with environmental requirements;

- iii. A listing of change orders including amount, description of work, and change in contract amount and schedule; and
- iv. Any problems encountered, proposed resolution, schedule for resolution, and status of previous problem resolutions.

A.2.2.2 Project Completion Report.

(a) The Recipient or Operating JPA must submit a Project Completion Report to the Division with a copy to the appropriate Regional Water Board on or before the due date established by the Division and the Recipient at the time of final project inspection. The Project Completion Report must include the following:

- i. Description of the Project,
- ii. Description of the water quality problem the Project sought to address,
- iii. Discussion of the Project's likelihood of successfully addressing that water quality problem in the future, and
- iv. Summary of compliance with applicable environmental conditions.

(b) If the Recipient and Operating JPA fail to submit a timely Project Completion Report, the State Water Board may stop processing pending or future applications for new financial assistance, withhold disbursements under this Agreement or other agreements, and begin administrative proceedings.

A.2.2.3 As Needed Reports.

The Recipient must provide expeditiously, during the term of this Agreement, any reports, data, and information reasonably required by the Division, including but not limited to material necessary or appropriate for evaluation of the funding program or to fulfill any reporting requirements of the state or federal government.

A.2.2.4 Recycled water reports.

- (a) Commencing with the date of Project Completion, the Recipient or Operating JPA must submit annual reports for five (5) consecutive calendar years or until the Project's actual total annual recycled water deliveries equal the Project's planned total recycled water deliveries.
- (b) The Recipient or Operating JPA must submit annual reports in hard copy and/or electronically.
- (c) The first annual report is due on February 28th following the first full calendar year of operation and shall cover the period from the Project Completion through the end of the first full calendar year thereafter. Subsequent annual reports are due by February 28th following the calendar year covered. The annual reports shall be prepared in accordance with the "Water Recycling Funding Program Guidelines."
- (d) The annual reports must include the following:
 - i. The planned total recycled water deliveries from the Recipient's funding application/user-connection schedule;

- ii. A breakdown of the actual total annual recycled water deliveries by month and type of use, presented in a table showing month vs. type of use. If the Recipient supplements recycled water deliveries with potable or fresh water, the annual report must include the monthly and total amounts;
- iii. The Project's operation and maintenance costs for the year;
- iv. The costs to Recipient's end users of recycled water vs. potable/fresh water during the year; and
- v. If the Project's actual total recycled water deliveries are less than the planned total recycled water deliveries, the Recipient or Operating JPA must provide a brief discussion on its progress toward achieving the remaining system capacity.

A.2.2.5 Disadvantaged Business Enterprise Good Faith Efforts.

The Recipient shall comply with the applicable Disadvantaged Business Enterprises (DBE) requirements in 40 CFR part 33 for the Project and require its prime contractors on the Project to comply. 40 CFR § 33.301 requires the use of good faith efforts to utilize DBE's whenever procuring construction, equipment, services, and supplies. 40 CFR § 33.501 includes recordkeeping requirements. If required by the Division, the Recipient must provide such information as may be requested demonstrating compliance with DBE requirements.

A.2.3 Signage.

The Operating JPA or Recipient shall place a sign at least four feet tall by eight feet wide made of ¾ inch thick exterior grade plywood or other approved material in a prominent location on the Project site and shall maintain the sign in good condition for the duration of the construction period. The sign must include the following disclosure statement and color logos (available from the Division):

a.



"Funding for this \$xx million [name of project] project has been provided in full or in part by Proposition 1 - -- the Water Quality, Supply, and Infrastructure Improvement Act of 2014 and the Clean Water State Revolving Fund through an agreement with the State Water Resources Control Board. California's Clean Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds, including the Safe Drinking Water, Wildfire Prevention, Drought Preparedness and Clean Air Bond Act of 2024."

- b. The Project sign may include another agency's required promotional information so long as the above logos and disclosure statement are equally prominent on the sign. The sign shall be prepared in a professional manner.

A.2.4 Commencement of Operations.

Upon Completion of Construction of the Project, the Operating JPA must expeditiously initiate Project operations.

A.3 DATES & DELIVERABLES.

- (a) Time is of the essence.
- (b) The Operating JPA must expeditiously proceed with and complete construction of the Project.
- (c) The following dates are established as on the Cover Page of this Agreement:
 - i. Eligible Work Start Date
 - ii. Eligible Construction Start Date
 - iii. Completion of Construction Date
 - iv. Final Reimbursement Request Date
 - v. Records Retention End Date
 - vi. Final Payment Date
- (d) The Operating JPA must award the prime construction contract timely.
- (e) The Operating JPA agrees to start construction no later than six (6) months after the execution of this Agreement
- (f) The Recipient must deliver any request for extension of the Completion of Construction date no less than 90 days prior to the Completion of Construction date.
- (g) The undisbursed balance of this Agreement will be deobligated if the Recipient does not provide its final reimbursement request to the Division on or before the Final Reimbursement Request Date.
- (h) Upon request by the Division, the Recipient shall submit verifiable data to support deliverables specified in the Scope of Work. The Recipient's failure to comply with this requirement may be construed as a material breach of this Agreement.

A.4 SCHEDULE.

Failure to provide items by the due dates indicated in the table below may constitute a material violation of this Agreement. The Project Manager may adjust the dates in the "Estimated Due Date" column of this table, but Critical Due Date adjustments will require an amendment to this Agreement. The Recipient and Operating JPA must complete and submit all work in time to be approved by the Division prior to Project Completion. As applicable for specific submittals, the Recipient and Operating JPA must plan adequate time to solicit, receive, and address comments prior to submitting the final submittal. The Recipient must submit the final reimbursement request prior to the Final Reimbursement Request Date set forth on the Cover Page.

[DFA will insert Schedule of Deliverables]

EXHIBIT B – FUNDING TERMS

B.1. FUNDING AMOUNTS AND REIMBURSEMENTS

B.1.1 Funding Contingency and Other Sources.

(a) If this Agreement's funding for any fiscal year expires due to reversion or is reduced, substantially delayed, or deleted by the state or federal government, such as by budget act, by executive order, or by order or action of the Department of Finance or a federal agency, the State Water Board has the option to either cancel this Agreement with no liability accruing to the State Water Board, or offer an amendment to the Recipient to reflect the reduced amount.

(b) If funding for Project Costs is made available to the Recipient from sources other than this Agreement, the Recipient must notify the Division. The Recipient may retain such funding up to an amount which equals the Recipient's share of Project Costs. To the extent allowed by requirements of other funding sources, excess funding must be remitted to the State Water Board to be applied to Payments due hereunder, if any.

B.1.2 Estimated Reasonable Cost.

The estimated reasonable cost of the total Project, including associated planning and design costs is Written Dollar Amount dollars and no cents (\$Dollar Amount).

B.1.3 Project Funding Amount.

Subject to the terms of this Agreement, the State Water Board agrees to provide Project Funds not to exceed the amount of the Project Funding Amount set forth on the Cover Page of this Agreement.

B.1.4 Grant Component.

(a) Contingent on the Recipient's performance of its obligations under this Agreement, the State Water Board will make a grant of not to exceed the amount of the Total Grant Component set forth on the Cover Page of this Agreement, including the Proposition 4 Grant Component and the General Fund Grant Component.

(b) Upon Completion of Construction, the State Water Board will prepare an alternate payment schedule reflecting this grant.

B. 1.5 Budget Costs.

(a) Estimated budget costs are contained in the Summary Project Cost Table below:

[DFA will insert table]

The Division's Final Budget Approval and related Form 259 and Form 260 will document a more detailed budget of eligible Project Costs and Project funding amounts. Construction of the Project may be completed in phases with written approval of the Division. If construction proceeds under separate phases, the Recipient must submit a Final Budget Approval package and receive Final Budget Approval from the Division for each phase.

Project Costs incurred prior to November 5, 2024 are not eligible for the Total Grant Component under this Agreement. The Recipient must not request reimbursement of Project Costs incurred prior to November 5, 2024 in excess of \$69,240,031.00. The Proposition 4 Grant Component Project Funds, in the amount of \$13,619,226.00, may not be available to reimburse Project Costs requested after February 28, 2033. If the Recipient has not requested reimbursement of Project Costs incurred on or after November 5, 2024, through submittal of complete, adequately supported, properly documented, and adequately addressed reimbursement requests in accordance with the reimbursement procedures contained in this Exhibit B, in an amount of no less than \$13,619,226.00 by February 28, 2033 the difference may revert to the State Water Board and may no longer be available under this Agreement, with no liability accruing to the State Water Board.

The General Fund Grant Component Project Funds, in the amount of \$1,380,774.00, may not be available to reimburse Project Costs requested after March 1, 2029. If the Recipient has not requested reimbursement of Project Costs incurred on or after July 1, 2024, through submittal of complete, adequately supported, properly documented, and adequately addressed reimbursement requests in accordance with the reimbursement procedures contained in this Exhibit B, in an amount of no less than \$1,380,774.00 by March 1, 2029, the difference may revert to the State Water Board and may no longer be available under this Agreement, with no liability accruing to the State Water Board.

Upon written request by the Recipient, the Division may adjust the line items of the budget at the time of Division's Final Budget Approval(s). Upon written request by the Recipient, the Division may also adjust the line items of the budget at the time of Recipient's submittal of its final claim. Any line item adjustments to the budget that are due to a change in scope of work will require an Agreement amendment. The sum of adjusted line items in the budget approved through the Final Budget Approval process must not exceed the Project Funding Amount. The Division may also propose budget adjustments.

(b) Under no circumstances may the sum of line items in the budget approved through the Final Budget Approval process exceed the Project Funding Amount. Any increase in the Project Funding Amount will require an Agreement amendment.

B.1.6 Contingent Disbursement.

(a) The State Water Board's disbursement of funds hereunder is contingent on the compliance of the Recipient and Operating JPA with the terms and conditions of this Agreement.

(b) The State Water Board's obligation to disburse Project Funds is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. If sufficient funds are not available for any reason, including but not limited to failure of the federal or State government to appropriate funds necessary for disbursement of Project Funds, the State Water Board shall not be obligated to make any disbursements to the Recipient under this Agreement. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any disbursements under this Agreement. Nothing in this Agreement shall be construed to provide the Recipient with a right of priority for disbursement over any other entity. If any disbursements due the Recipient under this Agreement are deferred because sufficient funds are unavailable, it is the intention of the State Water Board that such disbursement will be made to the Recipient when sufficient funds do become available, but this intention is not binding.

(c) Construction costs and disbursements are not available until after the Division has approved the final budget form submitted by the Recipient for the corresponding costs.

(d) No costs incurred prior to the Eligible Work Start Date are eligible for reimbursement.

(e) Construction costs incurred prior to the Eligible Construction Start Date are not eligible for reimbursement.

- (f) Failure to proceed according to the timelines set forth in this Agreement may require the Recipient to repay to the State Water Board all disbursed Project Funds.
- (g) The Recipient agrees to ensure that its final reimbursement request is received by the Division no later than the Final Reimbursement Request Date. If the final reimbursement request is not received timely, the undisbursed balance of this Agreement will be deobligated.
- (h) The Recipient is not entitled to interest earned on undisbursed funds.

B.1.7 Reimbursement Procedure.

Except as may be otherwise provided in this Agreement, disbursement of Project Funds will be made as follows:

- (a) Upon execution and delivery of this Agreement by the parties, the Recipient may request immediate reimbursement of any eligible incurred planning and design allowance costs through submission to the State Water Board of the Reimbursement Request Form 260 and Form 261, or any amendment thereto, duly completed and executed. To be eligible for reimbursement, Project Costs, including any planning and design allowance costs, must have been incurred in compliance with all applicable requirements, including the state and federal cross-cutting requirements listed in Exhibit C.
- (b) The Recipient must submit a reimbursement request for costs incurred prior to the date this Agreement is executed by the State Water Board no later than ninety (90) days after this Agreement is executed by the State Water Board. Late reimbursement requests may not be honored.
- (c) The Recipient may request reimbursement of eligible construction and equipment costs consistent with budget amounts approved by the Division in the Final Budget Approval.
- (d) Additional Project Funds will be promptly disbursed to the Recipient upon receipt of reimbursement request Form 260 and Form 261, or any amendment thereto, duly completed and executed by the Recipient for incurred costs consistent with this Agreement, along with receipt of progress reports due under Exhibit A.
- (e) The Recipient must not request reimbursement for any Project Cost until such cost has been incurred and is currently due and payable by the Recipient, although the actual payment of such cost by the Recipient is not required as a condition of reimbursement request. Supporting documentation (e.g., receipts) must be submitted with each reimbursement request. The amount requested for administration costs must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = total amount claimed). Disbursement of Project Funds will be made only after receipt of a complete, adequately supported, properly documented, and accurately addressed reimbursement request. Upon request by the Division, supporting documents for professional and administrative services must include the employees' names, classifications, labor rates, hours worked, and descriptions of the tasks performed. Reimbursement requests submitted without supporting documents may be wholly or partially withheld at the discretion of the Division.
- (f) The Recipient must spend Project Funds within 30 days of receipt. If the Recipient earns interest earned on Project Funds, it must report that interest immediately to the State Water Board. The State Water Board may deduct earned interest from future disbursements.

- (g) The Recipient shall not request a reimbursement unless that Project Cost is allowable, reasonable, and allocable.
- (h) Notwithstanding any other provision of this Agreement, no disbursement shall be required at any time or in any manner which is in violation of or in conflict with federal or state laws, policies, or regulations.
- (i) No work or travel outside the State of California is permitted under this Agreement unless the Division provides prior written authorization. Failure to comply with this restriction may result in termination this Agreement, pursuant to Exhibit C. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources at <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>, as of the date costs are incurred by the Recipient.

B.1.8 Withholding of Disbursements.

Notwithstanding any other provision of this Agreement, the State Water Board may withhold all or any portion of the Project Funds upon the occurrence of any of the following events:

- (a) The failure of the Recipient or Operating JPA to maintain reasonable progress on the Project as determined by the Division;
- (b) Placement on the ballot or passage of an initiative or referendum to repeal or reduce any Member's taxes, assessments, fees, or charges levied for operation of the Member System or payment of debt service on Member Obligations;
- (c) Commencement of litigation or a judicial or administrative proceeding related to the Project, Joint System, Revenues, any Member System, or Member Revenues that the State Water Board determines may impair the timely satisfaction of Recipient's obligations under this Agreement;
- (d) Any investigation by the State Water Board, District Attorney, California State Auditor, Bureau of State Audits, the USEPA Office of Inspector General, the Internal Revenue Service, Securities and Exchange Commission, a grand jury, or any other state or federal agency, relating to the financial management, accounting procedures, or internal fiscal controls of any Project Party;
- (e) A material adverse change in the condition of any Project Party, the Revenues, any Member Revenues, Joint System, or any Member System that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement, or any other event that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement;
- (f) The Recipient or Operating JPA's material violation of, or threat to materially violate, any term of this Agreement;
- (g) Suspicion of fraud, forgery, embezzlement, theft, or any other misuse of public funds by any Project Party or its employees, or by its contractors or agents regarding the Project, the Joint System, or any Member System;
- (h) An event requiring Notice as set forth in Exhibit C;
- (i) An Event of Default or an event that the Division determines may become an Event of Default.

B.1.9 Fraud and Misuse of Public Funds; Enforcement.

All requests for reimbursement submitted must be accurate and signed by the Recipient's Authorized Representative under penalty of perjury. All costs submitted pursuant to this Agreement must only be for the work or tasks set forth in this Agreement. The Recipient must not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any eligible costs for which the Recipient is seeking reimbursement

shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is improper and will not be compensated. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements and, notwithstanding any other section in this Agreement, the termination of this Agreement requiring the repayment of all Project Funds disbursed hereunder. Additionally, the Deputy Director of the Division may request an audit; refer the matter for appropriate administrative action, including but not limited to the recovery of financial assistance provided and the imposition of civil penalties; and/or refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. A person who knowingly makes or causes to be made any false statement, material misrepresentation, or false certification in any submittal may be subject to a civil penalty, criminal fine, or imprisonment. (Wat. Code, § 13490 et seq.)

B.2 RECIPIENT'S PAYMENT OBLIGATION, PLEDGE, AND RESERVE

B.2.1 Project Costs.

The Recipient must pay any and all costs connected with the Project including, without limitation, any and all Project Costs and Additional Payments. If the Project Funds are not sufficient to pay the Project Costs in full, the Recipient must nonetheless complete the Project and pay that portion of the Project Costs in excess of available Project Funds, and shall not be entitled to any reimbursement therefor from the State Water Board.

B.2.2 Estimated Principal Payment Due.

The estimated amount of principal that will be due to the State Water Board from the Recipient under this Agreement is Written Dollar Amount dollars and no cents (\$Dollar Amount).

B.2.3 Interest Rate and In-Lieu of Interest Charges.

(a) The Recipient agrees to make all Payments according to the schedule in Exhibit E, and as otherwise set forth herein, at an interest rate of Written Interest Rate % (X%) per annum.

(b) Interest will accrue beginning with each disbursement of repayable funds. Interest accrued prior to Completion of Construction will be Construction Period Interest and will be capitalized. At Completion of Construction, all accrued Construction Period Interest will be added to the principal amount. The final Payment Schedule will reflect the inclusion of Construction Period Interest in the principal amount.

(c) Construction Period Interest cannot be estimated at the date of execution of this Agreement. Estimated payments in the preliminary Payment Schedule, attached as Exhibit E, will include zero Construction Period Interest. Construction Period Interest will accrue as the Recipient receives disbursements. The total amount of Construction Period Interest owed by the Recipient will not be finalized until Completion of Construction.

(d) In lieu of, and not to exceed, interest otherwise due under this Agreement, the Recipient agrees to pay the following charge(s), as further set forth in Exhibit E:

- an Administrative Service Charge
- a Small Community Grant Fund Charge

B.2.4 [Reserved].

B.2.5 Obligation Absolute.

The obligation of the Recipient to make the Payments and other payments required to be made by it under this Agreement, from the Revenues and/or other amounts legally available to the Recipient therefor, is absolute and unconditional, and until such time as the Payments and Additional Payments have been paid in full, the Recipient must not discontinue or suspend any Payments or other payments required to be made by it hereunder when due, whether or not the Project, or any related part thereof is operating or operable or has been completed, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such Payments and other payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

B.2.6 Payment Timing.

(a) The Recipient must make the first annual Payment of the principal due under this Agreement, including capitalized Construction Period Interest, together with all interest accruing thereon, by the Payment Start Date indicated on the Cover Page. The Recipient must make annual Payments, due by [DFA to fill in day and month – match Payment Start Date], fully amortizing the total principal due under this Agreement, together with interest, by the Final Payment Date stated on the Cover Page. Payment calculations are based on a standard fully amortized assistance amount with equal annual payments. As a courtesy, the Division will provide a payment notice to the Recipient prior to the Payment due date, which will include the Payment amount due. Regardless of the delivery of a payment notice, the Recipient is responsible for timely payment of all amounts due.

(b) The remaining balance is the previous balance, plus the disbursements, plus the accrued interest on both, plus any Charge In Lieu of Interest, less the Payment. Payment calculations will be made prior to the Payment Start Date. Exhibit E is a payment schedule based on the provisions of this Exhibit and an estimated disbursement schedule. Actual payments will be based on actual disbursements. The Division will prepare any necessary changes to the payment schedule and send them to the Recipient.

(c) Upon Completion of Construction and submission of necessary reports by the Recipient, the Division will prepare an appropriate payment schedule and supply the same to the Recipient. The Division may amend this schedule as necessary to accurately reflect amounts due under this Agreement.

(d) The Recipient must make each Payment on or before the due date therefor. A ten (10) day grace period will be allowed, after which time a penalty in the amount of costs incurred by the State Water Board will be assessed for late payment. These costs may include, but are not limited to, lost interest earnings, staff time, bond debt service default penalties, if any, and other related costs. For purposes of penalty assessment, payment will be deemed to have been made if payment is deposited in the U.S. Mail within the grace period with postage prepaid and properly addressed. Any penalties assessed will not be added to the assistance amount balance, but will be treated as a separate account and obligation of the Recipient. The interest penalty will be assessed from the payment due date.

(e) The Recipient is obligated to make all payments required by this Agreement to the State Water Board, notwithstanding any individual default by the Members or others in the payment to the Recipient of fees, charges, taxes, assessments, tolls, Member Payments or other charges ("Charges") levied or imposed by the Recipient. The Recipient must provide for the punctual payment to the State Water Board of all amounts which become due under this Agreement and which are received from the Members or others in the payment to the Recipient. In the event of failure, neglect or refusal of any officer of the Recipient to levy or cause to be levied any Charge to provide payment by the Recipient under this Agreement, to enforce or to collect such Charge, or to pay over to the State Water Board any money collected on account of such Charge necessary to satisfy any amount due under this Agreement, the State Water Board may take such action in a court of competent jurisdiction as it deems necessary to compel the performance of all duties relating to the imposition or levying and collection of any of such Charges and the payment of the money collected therefrom to the State Water Board. Action taken pursuant hereto

shall not deprive the State Water Board of, or limit the application of, any other remedy provided by law or by this Agreement.

(f) Each Payment must be paid in lawful money of the United States of America by check or other acceptable form of payment set forth at www.waterboards.ca.gov/make_a_payment. The Recipient must pay Payments and Additional Payments from Revenues and/or other amounts legally available to the Recipient therefor.

B.2.7 Pledged Revenues.

B.2.7.1 Establishment of Revenue Fund and Reserve Fund.

In order to carry out the Project Bonds, the Recipient covenants that it shall establish and maintain or shall have established and maintained the Revenue Fund. All Revenues received shall be deposited when and as received in trust in the Revenue Fund. As required in this Exhibit, the Recipient must establish and maintain a Reserve Fund.

B.2.7.2 Pledge of Revenues, Revenue Fund, and Reserve Fund.

The Obligation hereunder shall be secured by a lien on and pledge of the Revenue Fund and Revenues on parity with the Parity Project Bonds, and by a first and exclusive lien on the Reserve Fund. The Recipient hereby pledges and grants such lien on and pledge of the Revenue Fund, Revenues, and the Reserve Fund to secure the Obligation, including payment of Payments and Additional Payments hereunder. The Revenue Fund, Revenues in the Revenue Fund, and the Reserve Fund shall be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Recipient.

B.2.7.3 Application and Purpose of the Revenue Fund.

Subject to the provisions of any outstanding Project Bond, money on deposit in the Revenue Fund shall be applied and used exclusively to pay all amounts due and payable with respect to the Project Bonds in order of priority, including the funding of the Reserve Fund and any other reserve funds or accounts established for Project Bonds. After making all payments hereinabove required to be made in each Fiscal Year, the Recipient may expend in such Fiscal Year any remaining money in the Revenue Fund for any lawful purpose of the Recipient.

B.2.8 No Prepayment.

Pursuant to State Water Board's Debt Management Policy, adopted on October 3, 2017, the Recipient may not prepay any portion of the principal and interest due under this Agreement without the written consent of the Deputy Director of the Division.

B.2.9 Reserve Fund.

Prior to Completion of Construction, the Recipient must establish a restricted Reserve Fund, held in its Revenue Fund, equal to one year's Debt Service on this Obligation. The Recipient shall require the Members to fund the Reserve Fund through Reserve Fund Contributions in the amount of each Member's Allocated Share. The Recipient must maintain the Reserve Fund throughout the term of this Agreement. The Reserve Fund is subject to lien and pledged as security for this Obligation, and its use is restricted to payment of this Obligation during the term of this Agreement.

B.3 COLLECTION OF MEMBER CONTRIBUTIONS AND MEMBER PAYMENTS.

(a) The Recipient must during each Fiscal Year, pursuant to the Payment Agreements, collect Member Payments from the Members which will be sufficient to generate Revenues in the amounts necessary to ensure that Revenues are equal to at least 100% of the Debt Service with respect to all outstanding Project Bonds in such Fiscal Year.

(b) The Operating JPA must during each Fiscal Year, pursuant to the Operating JPA Agreement, collect Member Contributions from the Members in amounts equaling at least the whole amount of Operating JPA Operations and Maintenance Costs.

(c) The Recipient may make adjustments from time to time in the amounts of Member Payments and Member Contributions as it deems necessary, but shall not reduce amounts of the Member Payments and Member Contributions then in effect unless the Revenues and Member Contributions from such reduction will at all times be sufficient to meet the requirements of this section.

B.4 ADDITIONAL PROJECT BONDS.

(a) The Recipient's future debt that is secured by Revenues pledged herein may not be senior to this Obligation.

(b) The Recipient may issue additional Parity Project Bonds or Subordinate Project Bonds only if all of the following conditions are met:

- i. No Event of Default (or no event with respect to which notice has been given and which, once all notice of grace periods have passed, would constitute an Event of Default) has occurred and is continuing;
- ii. Member Net Revenues for each of the Members in the most recent Fiscal Year, excluding transfers from a rate stabilization fund, if any, meet the ratio for rate covenants set forth in Exhibit D with respect to any outstanding and proposed additional obligations;
- iii. The Recipient is in compliance with the reserve fund requirement of this Obligation.

(c) The Recipient may not issue any future debt secured by Revenues pledged herein except for Project Bonds.

(d) For any additional Project Bonds issued by the Recipient, the Recipient shall make best efforts to synchronize the payment schedule for Debt Service on such additional Project Bonds with the payment schedule for this Obligation supplied by the Division pursuant to B.2.6(c) or in the event such schedule has not been supplied by the Division, the preliminary schedule provided by the State Water Board on the Effective Date of this Agreement included as Exhibit E to this Agreement.

B.5 NO LIENS.

The Recipient and Operating JPA must not make any pledge of or place any lien on the Project, Joint System, or Revenues except as otherwise provided or permitted by this Agreement.

EXHIBIT C – GENERAL & PROGRAMMATIC TERMS & CONDITIONS

C.1 REPRESENTATIONS & WARRANTIES.

The Recipient and Operating JPA represents, warrants, and commits to the following as of the Eligible Work Start Date and continuing thereafter for the term of this Agreement.

C.1.1 Application and General Recipient Commitments.

The Recipient and the Operating JPA have not made any untrue statement of a material fact in their application for this financial assistance, or omitted to state in their application a material fact that makes the statements in their application not misleading.

The Recipient and the Operating JPA agree to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents.

The Recipient and the Operating JPA agree to fulfill all assurances, declarations, representations, and commitments in their application, accompanying documents, and communications filed in support of its request for funding under this Agreement.

C.1.2 Authorization and Validity.

The execution and delivery of this Agreement, including all incorporated documents, has been duly authorized by the Recipient and the Operating JPA. Upon execution by all parties, this Agreement constitutes a valid and binding obligation of the Recipient and of the Operating JPA, enforceable in accordance with its terms, except as such enforcement may be limited by law.

C.1.3 No Violations.

The execution, delivery, and performance by the Recipient and the Operating JPA of this Agreement, including all incorporated documents, do not violate any provision of any law or regulation in effect as of the dates of execution of this Agreement by the Recipient and the Operating JPA, or result in any breach or default under any contract, obligation, indenture, or other instrument to which the Recipient or the Operating JPA is a party or by which the Recipient or the Operating JPA is bound as of the date of execution of this Agreement by the Recipient.

C.1.4 No Litigation.

There are, as of the dates of execution of this Agreement by the Recipient and the Operating JPA, no pending or, to the knowledge of the Recipient or the Operating JPA, threatened actions, claims, investigations, suits, or proceedings before any governmental authority, court, or administrative agency which materially affect, or, if resolved unfavorably to the Recipient or Operating JPA, would materially affect the financial condition or operations of the Recipient, the Operating JPA, the Joint System, any Member, any Member System, the Member Revenues, and/or the Project.

There are no proceedings, actions, or offers by a public entity to acquire by purchase or the power of eminent domain the Joint System or any of the real or personal property related to or necessary for the Project.

C.1.5 Property Rights.

The Operating JPA owns or has sufficient property rights in the Project property for the longer of the Useful Life or the term of this Agreement, either in fee simple or for a term of years that is not subject to third-party revocation during the Useful Life of the Project.

C.1.6 Solvency and Insurance.

None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of the Recipient or of the Operating JPA. The Recipient and the Operating JPA are solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. The Recipient and the Operating JPA are able to pay their debts as they become due. The Operating JPA maintains sufficient insurance coverage considering the scope of this Agreement, including, for example but not necessarily limited to, general liability, automobile liability, workers compensation and employer liability, professional liability.

C.1.7 Legal Status and Eligibility.

The Recipient and the Operating JPA are duly organized and existing and in good standing under the laws of the State of California. The Recipient and the Operating JPA must at all times maintain their current legal existence and preserve and keep in full force and effect their legal rights and authority. The Recipient and the Operating JPA acknowledge that changes to its legal or financial status may affect its eligibility for funding under this Agreement and commits to maintaining its eligibility. Within the preceding ten years, neither the Recipient or the Operating JPA has failed to demonstrate compliance with state or federal audit disallowances.

C.1.8 Financial Statements and Continuing Disclosure.

The financial statements of the Project Parties previously delivered to the State Water Board as of the date(s) set forth in such financial statements: (a) are materially complete and correct; (b) present fairly the financial condition of the relevant Project Party; and (c) have been prepared in accordance with GAAP. Since the date(s) of such financial statements, there has been no material adverse change in the financial condition of any Project Party, nor have any assets or properties reflected on such financial statements been sold, transferred, assigned, mortgaged, pledged or encumbered, except as previously disclosed in writing by the Recipient or the Operating JPA and approved in writing by the State Water Board.

The Recipient and the Operating JPA are each current in their continuing disclosure obligations associated with their material debt, if any.

C.1.9 Project Bonds and Member Obligations

(a) The Recipient and the Operating JPA have no Project Bonds other than those defined in this Agreement.

(b) To the best knowledge of the Recipient and the Operating JPA, no Member has any Member Obligations other than those defined in this Agreement.

C.1.10 No Other Material Obligations.

(a) The Recipient and the Operating JPA have no Material Obligations other than Project Bonds.

(b) To the best knowledge of the Recipient and the Operating JPA, no Member has any Member Material Obligations other than those defined in this Agreement.

C.1.11 Compliance with State Water Board Funding Agreements.

The Recipient and the Operating JPA represent that they are each in compliance with all State Water Board funding agreements to which they are a party.

C.2 DEFAULTS AND REMEDIES

In addition to any other remedy set forth in this Agreement, the following remedies are available under this Agreement.

C.2.1 Return of Funds; Acceleration; and Additional Payments.

Notwithstanding any other provision of this Agreement, if the Division determines that an Event of Default has occurred, the Recipient may be required, upon demand, immediately to do each of the following:

- i. return to the State Water Board any grant or principal forgiveness amounts received pursuant to this Agreement;
- ii. accelerate the payment of any principal owed under this Agreement, all of which shall be immediately due and payable;
- iii. pay interest at the highest legal rate on all of the foregoing; and
- iv. pay any Additional Payments.

C.2.2 [Reserved].

C.2.3 Administrative remedies.

Whenever the State Water Board determines that a Project Party, or a Project Party's contractor, consultant, employee, agent, assignee, or grantee has violated any requirement or term of the Agreement, the State Water Board may impose civil penalties in accordance with Water Code, section 13497. The State Water Board may impose civil liability administratively against the Project Party or the Project Party's consultant or contractor or other agent furnishing any information related to funds disbursed or costs claimed for reimbursement if the Project Party or the Project Party's consultant or contractor or other agent fails to personally attest that the information is true, accurate, and complete the best of one's knowledge. (Wat. Code, § 13498.) The State Water Board may impose civil liability administratively against any person who makes a misrepresentation in any submittal to the State Water Board, including, but not limited to, an application, report, certification, record, invoice, form, or other document that is submitted to the State Water Board relating to a financial assistance agreement. (Wat. Code, § 13499.)

C.2.4 Judicial remedies.

Whenever the State Water Board determines that an Event of Default shall have occurred, the State Water Board may enforce its rights under this Agreement by any judicial proceeding, whether at law or in equity. Without limiting the generality of the foregoing, the State Water Board may:

- i. by suit in equity, require the Recipient to account for amounts relating to this Agreement as if the Recipient were the trustee of an express trust;
- ii. by mandamus or other proceeding, compel the performance by the Recipient or the Operating JPA and any of their officers, agents, and employees of any duty under the law or of any obligation or covenant under this Agreement, including but not limited to causing the Members to impose and collect rates for the services of the Member Systems sufficient to meet all requirements of this Agreement; and
- iii. take whatever action at law or in equity as may appear necessary or desirable to the State Water Board to collect the Payments then due or thereafter to become due, or to enforce performance of any obligation or covenant of the Recipient or Operating JPA under this Agreement.

C.2.5 Termination.

Upon an Event of Default, the State Water Board may terminate this Agreement. Interest shall accrue on all amounts due at the highest legal rate of interest from the date that the State Water Board delivers notice of termination to the Recipient.

C.2.6 Damages for Breach of Tax-Exempt Status.

In the event that any breach of any of the provisions of this Agreement by the Recipient or the Operating JPA results in the loss of tax-exempt status for any bonds of the State or any subdivision or agency thereof, or if such breach results in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government by reason of any arbitrage profits, the Recipient must immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

C.2.7 Damages for Breach of Federal Conditions.

In the event that any breach of any of the provisions of this Agreement by the Recipient or the Operating JPA results in the failure of Project Funds to be used pursuant to the provisions of this Agreement, or if such breach results in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government, the Recipient must immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

C.2.8 Remedies and Limitations.

None of the remedies available to the State Water Board shall be exclusive of any other remedy, and each such remedy shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. The State Water Board may exercise any remedy, now or hereafter existing, without exhausting and without regard to any other remedy.

Any claim of the Recipient or Operating JPA is limited to the rights and remedies provided to the Recipient under this Agreement and is subject to the claims procedures provided to the Recipient under this Agreement.

C.2.9 Non-Waiver.

Nothing in this Agreement shall affect or impair the Recipient's Obligation to pay Payments as provided herein or shall affect or impair the right of the State Water Board to bring suit to enforce such payment. No delay or omission of the State Water Board in the exercise of any right arising upon an Event of Default shall impair any such right or be construed to be a waiver of any such Event of Default. The State Water Board may exercise from time to time and as often as shall be deemed expedient by the State Water Board, any remedy or right provided by law or pursuant to this Agreement.

C.2.10 Status Quo.

If any action to enforce any right or exercise any remedy shall be brought and either discontinued or determined adversely to the State Water Board, then the State Water Board shall be restored to its former position, rights and remedies as if no such action had been brought.

C.3 STANDARD CONDITIONS

C.3.1 Access, Inspection, and Public Records.

The Recipient and Operating JPA must ensure that the State Water Board, the Governor of the State, the USEPA, the USEPA's Office of Inspector General, any member of Congress, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of the Agreement. The Recipient and Operating JPA acknowledge that, except for a subset of information regarding archaeological records, the Project records and locations are public records, including but not limited to all of the submissions accompanying the application, all of the documents incorporated into this Agreement by reference, and all reports, reimbursement requests, and supporting documentation submitted hereunder.

C.3.2 Accounting and Auditing Standards; Financial Management Systems.

(a) The Recipient and Operating JPA must maintain project accounts according to GAAP as issued by the Governmental Accounting Standards Board (GASB) or its successor. The Recipient and Operating JPA must maintain GAAP-compliant project accounts, including GAAP requirements relating to the reporting of infrastructure assets.

(b) The Recipient and Operating JPA must comply with federal standards for financial management systems. The Recipient agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit preparation of reports required by the federal government and tracking of Project funds to a level of expenditure adequate to establish that such funds have not been used in violation of federal or state law or the terms of this Agreement. To the extent applicable, the Recipient and Operating JPA must comply with the provisions and requirements of the federal Single Audit Act (SAA) of 1984, 2 CFR part 200, subpart F, and 2 CFR section 200.302, and updates or revisions thereto, including but not limited to:

- Maintain an annual (Fiscal Year) accounting system and identify all expenditures of federal financial assistance;
- Conduct a SAA audit using an independent auditor in those Fiscal Years when expenditures of total federal financial assistance equal or exceed the applicable threshold in 2 CFR section 200.501, and submit the SAA audit to the Federal Audit Clearinghouse within the earlier of thirty (30) calendar days after receipt of the auditor's report(s) or nine (9) months of the end of the audit period;
- Notify the Division when a SAA audit has been conducted and submitted to the Federal Audit Clearinghouse;
- Notify and provide the Division with a copy of the SAA audit within thirty (30) days of completion of the audit;
- Inform the Division of findings and recommendations pertaining to federal financial assistance provided through the State Water Board contained in SAA audits conducted by the Recipient;
- Initiate corrective actions for audit reports with findings and recommendations that impact federal financial assistance provided through the State Water Board and notify the Division when corrective actions are complete.

(c) Without limitation of the requirement to maintain Project accounts in accordance with GAAP, the Recipient and Operating JPA must:

- i. Establish an official file for the Project which adequately documents all significant actions relative to the Project;
- ii. Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Project, including all assistance funds received under this Agreement;

- iii. Establish separate accounts which will adequately depict all income received which is attributable to the Project, specifically including any income attributable to assistance funds disbursed under this Agreement;
- iv. Establish an accounting system which will accurately depict final total costs of the Project, including both direct and Indirect Costs;
- v. Establish such accounts and maintain such records as may be necessary for the State to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
- vi. If Force Account is used by the Recipient or Operating JPA for any phase of the Project, other than for planning, design, and construction engineering and administration provided for by allowance, accounts will be established which reasonably document all employee hours charged to the Project and the associated tasks performed by each employee. Indirect Costs from Force Account are not eligible for funding.

C.3.3 Amendment.

No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by all of the Recipient, the Operating JPA, and the Deputy Director or designee.

Requests for amendments must be in writing and directed to the contact listed in Section 4 and to the Division's Chief of Loans and Grants Administration Section.

C.3.4 Assignability.

This Agreement is not assignable by the Recipient or Operating JPA, either in whole or in part, without the consent of the State Water Board in the form of a formal written amendment to this Agreement.

C.3.5 Audit.

(a) The Division may call for an audit of financial information relative to the Project if the Division determines that an audit is desirable to assure program integrity or if an audit becomes necessary because of state or federal requirements. If an audit is called for, the audit must be performed by a certified public accountant independent of the Recipient or Operating JPA and at the cost of the Recipient. The audit must be in the form required by the Division.

(b) Audit disallowances must be returned to the State Water Board.

C.3.6 Bonding.

Where contractors are used, the Operating JPA must not authorize construction to begin until each contractor has furnished a performance bond in favor of the Recipient in the following amounts: faithful performance (100%) of contract value; labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00.

C.3.7 Competitive Bidding

Recipient and Operating JPA must adhere to any applicable state law or local ordinance for competitive bidding and applicable labor laws.

C.3.8 Compliance with Applicable Laws, Rules, and Requirements.

The Recipient and Operating JPA must, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements. Without limitation of the foregoing, to the extent applicable, the Recipient and Operating JPA must:

- (a) Comply with the provisions of the adopted environmental mitigation plan, if any, for the term of this Agreement;
- (b) Comply with the Policy and Guidelines; and
- (c) Comply with and require compliance with the state and federal requirements set forth elsewhere in this Agreement.

C.3.9 Computer Software.

The Recipient and Operating JPA certify that they have appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

C.3.10 Conflict of Interest.

The Recipient and Operating JPA certify that their owners, officers, directors, agents, representatives, and employees are in compliance with applicable state and federal conflict of interest laws.

C.3.11 Continuous Use of Project; No Lease, Sale, Transfer of Ownership, or Disposal of Project.

The Recipient and Operating JPA agree that, except as provided in this Agreement, they will not abandon, substantially discontinue use of, lease, sell, transfer ownership of, or dispose of all or a significant part or portion of the Project during the Useful Life of the Project without prior written approval of the Division. Such approval may be conditioned as determined to be appropriate by the Division, including a condition requiring repayment of all disbursed Project Funds or all or any portion of all remaining funds covered by this Agreement together with accrued interest and any penalty assessments that may be due.

C.3.12 Data Management.

The Recipient and Operating JPA will undertake appropriate data management activities so that Project data can be incorporated into statewide data systems.

C.3.13 Disputes.

- (a) The Recipient or Operating JPA may appeal a staff decision within 30 days to the Deputy Director of the Division or designee, for a final Division decision. The Recipient or Operating JPA may appeal a final Division decision to the State Water Board within 30 days. The Office of the Chief Counsel of the State Water Board will prepare a summary of the dispute and make recommendations relative to its final resolution, which will be provided to the State Water Board's Executive Director and each State Water Board Member. Upon the motion of any State Water Board Member, the State Water Board will review and resolve the dispute in the manner determined by the State Water Board. Should the State Water Board determine not to review the final Division decision, this decision will represent a final agency action on the dispute.

(b) This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.

(c) Recipient and Operating JPA must continue with the responsibilities under this Agreement during any dispute.

(d) This section relating to disputes does not establish an exclusive procedure for resolving claims within the meaning of Government Code sections 930 and 930.4.

C.3.14 Drug-Free Workplace.

The Recipient certifies that it will provide a drug-free workplace in compliance with the Drug-Free Workplace Act (Gov. Code. §§ 8350-8357). The Recipient shall publish a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the Recipient's workplace and specifying the actions to be taken against employees for violations of the prohibition. The Recipient shall establish a drug-free awareness program to inform employees about the dangers of drug abuse in the workplace, the Recipient's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation and employee assistance programs, and penalties that may be imposed upon employees for drug abuse violations. The Recipient shall provide that every employee who works on the Project receives a copy of the Recipient's drug-free workplace policy statement and agrees to abide by the terms of the statement as a condition of employment on the Project.

C.3.15 Environmental Clearance.

(a) No work that is subject to CEQA or NEPA may proceed under this Agreement unless the State Water Board has provided environmental clearance. The State Water Board may require changes in the scope of work or additional mitigation as a condition to providing construction or implementation funding under this Agreement. Recipient or Operating JPA shall not perform any work subject to CEQA and/or NEPA before the State Water Board completes its environmental review and specifies any changes in scope or additional mitigation that may be required. Proceeding with work subject to CEQA and/or NEPA without approval by the State Water Board shall constitute a breach of a material provision of this Agreement.

(b) If this Project includes modification of a river or stream channel, the Recipient and Operating JPA must fully mitigate environmental impacts resulting from the modification. The Recipient or Operating JPA must provide documentation that the environmental impacts resulting from such modification will be fully mitigated considering all of the impacts of the modification and any mitigation, environmental enhancement, and environmental benefit resulting from the Project, and whether, on balance, any environmental enhancement or benefit equals or exceeds any negative environmental impacts of the Project.

C.3.16 Governing Law.

This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

C.3.17 Income Restrictions.

The Recipient and Operating JPA agree that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Recipient or Operating JPA under this Agreement must be paid by the Recipient to the State Water Board, to the extent that they are properly allocable to costs for which the Recipient has been reimbursed by the State Water Board under this Agreement.

C.3.18 Indemnification and State Reviews.

The parties agree that review or approval of Project plans and specifications by the State Water Board is for administrative purposes only, including conformity with application and eligibility criteria, and expressly not for the purposes of design defect review or construction feasibility, and does not relieve the Recipient and Operating JPA of its responsibility to properly plan, design, construct, operate, and maintain the Project. To the extent permitted by law, the Recipient and Operating JPA agree to indemnify, defend, and hold harmless the State Water Board, the Bank, and any trustee, and their officers, employees, and agents for the Bonds, if any (collectively, "Indemnified Persons"), against any loss or liability arising out of any claim or action brought against any Indemnified Persons from and against any and all losses, claims, damages, liabilities, or expenses, of every conceivable kind, character, and nature whatsoever arising out of, resulting from, or in any way connected with (1) the Joint System, any Member System or the Project or the conditions, occupancy, use, possession, conduct, or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the Joint System, any Member System or the Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the Toxic Substances Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the California Hazardous Waste Control Law, and California Water Code Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the Joint System, any Member System or the Project; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by any Project Party for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement, except those arising from the gross negligence or willful misconduct of the Indemnified Persons. The Recipient and Operating JPA must also provide for the defense and indemnification of the Indemnified Persons in any contractual provision extending indemnity to the Recipient or Operating JPA in any contract let for the performance of any work under this Agreement, and must cause the Indemnified Persons to be included within the scope of any provision for the indemnification and defense of the Recipient or Operating JPA in any contract or subcontract. To the fullest extent permitted by law, the Recipient and Operating JPA agree to pay and discharge any judgment or award entered or made against Indemnified Persons with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section survive the term of this Agreement.

C.3.19 Independent Actor.

The Recipient and Operating JPA, and the agents and employees thereof, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State Water Board.

C.3.20 Integration.

This Agreement constitutes the complete and final agreement between the parties. No oral or written understanding or agreement not incorporated in this Agreement shall be binding on any party.

C.3.21 Leveraging Covenants.

(a) Notwithstanding any other provision hereof, the Recipient and Operating JPA covenant and agree that they will comply with the Tax Covenants set forth in Exhibit F of this Agreement.

(b) The Recipient and Operating JPA covenant to furnish such financial, operating and other data pertaining to the Recipient or Operating JPA as may be requested by the State Water Board to: (i) enable the State Water Board to cause the issuance of Bonds and provide for security therefor; or (ii) enable any underwriter of Bonds issued for the benefit of the State Water Board to comply with Rule 15c2-12(b)(5).

(c) The Recipient and Operating JPA further covenant to provide, and to cause the Members to provide, the State Water Board with copies of all continuing disclosure documents or reports that are disclosed pursuant to (i) the Recipient's continuing disclosure undertaking or undertakings made in connection with any outstanding Project Bonds or Member Obligations, (ii) the terms of any outstanding Project Bonds or Member Obligations, or (iii) a voluntary disclosure of information related to an outstanding Project Bond or Member Obligation. The Recipient or Operating JPA must disclose such documents or reports to the State Water Board at the same time such documents or reports are submitted to any dissemination agent, trustee, nationally recognized municipal securities information repository, the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website or other person or entity.

C.3.22 No Discrimination.

(a) The Recipient and Operating JPA must comply with Government Code section 11135 and the implementing regulations (Cal. Code Regs, tit. 2, § 14000 et seq.), including, but not limited to, ensuring that no person is unlawfully denied full and equal access to the benefits of, or unlawfully subjected to discrimination in the operation of, the Project or Joint System on the basis of sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, or sexual orientation as such terms are defined under California law, for as long as the Recipient retains ownership or possession of the Project.

(b) If Project Funds are used to acquire or improve real property, the Recipient or Operating JPA must include a covenant of nondiscrimination running with the land in the instrument effecting or recording the transfer of such real property.

(c) The Recipient and Operating JPA must comply with the federal American with Disabilities Act of 1990 and implementing regulations as required by Government Code section 11135(b).

(d) The Recipient and Operating JPA's obligations under this section shall survive the term of this Agreement.

(e) During the performance of this Agreement, Recipient and Operating JPA and their contractors and subcontractors must not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, denial of family care leave, or genetic information, gender, gender identity, gender expression, or military and veteran status.

(f) The Recipient, the Operating JPA, their contractors, and subcontractors must ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.

(g) The Recipient, the Operating JPA, their contractors, and subcontractors must comply with the provisions of the Fair Employment and Housing Act and the applicable regulations promulgated thereunder. (Gov. Code, §12990, subds. (a)-(f) et seq.; Cal. Code Regs., tit. 2, § 7285 et seq.) Such regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

(h) The Recipient, the Operating JPA, their contractors, and subcontractors must comply with all applicable federal civil rights regulations, including statutory and national policy requirements. (2 CFR § 200.300).

(i) The Recipient, the Operating JPA, their contractors, and subcontractors must give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

(j) The Recipient and the Operating JPA must include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

C.3.23 No Third Party Rights.

The parties to this Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or of any duty, covenant, obligation, or undertaking established herein.

C.3.24 No Obligation of the State.

Any obligation of the State Water Board herein contained shall not be an obligation, debt, or liability of the State and any such obligation shall be payable solely out of the moneys encumbered pursuant to this Agreement.

C.3.25 Notice.

Upon the occurrence of any of the following events, the Recipient or Operating JPA must provide notice as set forth below.

- (a) Within 24 hours of the following, the Recipient or Operating JPA must notify the Division by phone at (916) 327-9978 and by email to [PM email address and senior email address] and CleanWaterSRF@waterboards.ca.gov of:
 - i. The seizure of, or levy on, any Revenues securing this Agreement or any Member Revenues securing a Payment Agreement;
 - ii. Any discovery of any potential tribal cultural resource, archaeological or historical resource, or human remains in the Project area (also notify the Division's Senior Cultural Resources Officer, at CulturalResources@waterboards.ca.gov). Should a potential tribal cultural resource or archaeological or historical resource be discovered during construction or Project implementation, the Operating JPA must ensure that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the Division has determined what actions should be taken to protect and preserve the resource. The Operating JPA must implement appropriate actions as directed by the Division. If there are any applicable provisions of a mitigation, monitoring and reporting program adopted for the Project, the Operating JPA shall comply with such provisions. In the event of the discovery of human remains during construction of the Project, the Operating JPA shall cease construction and take other action required by any applicable laws, which may include but are not limited to Health and Safety Code, section 7050.5 and Public Resources Code, section 5097.98..
- (b) [reserved]

(c) Within five (5) business days, the Recipient or Operating JPA must notify the Division by phone at (916) 327-9978; by email to Lance.Reese@waterboards.ca.gov [PM email address and senior email address] and CleanWaterSRF@waterboards.ca.gov and by mail to the contact address set forth in Section 4 of this Agreement of the occurrence of any of the following events:

- i. Bankruptcy, insolvency, receivership or similar event of the Recipient, the Operating JPA, or of any Member, or actions taken in anticipation of any of the foregoing;
- ii. Change of ownership of the Project or the Joint System or change of management or service contracts, if any, for operation of the Joint System;
- iii. Loss, theft, damage, or impairment to Project, the Revenues, the Joint System, any Member Revenues or any Member System;
- iv. Failure to meet any debt service coverage test in Exhibit B or Exhibit D of this Agreement;
- v. Draws on the Reserve Fund;
- vi. Listed Events and Events of Default, except as otherwise set forth in this section;
- vii. Failure to observe or perform any covenant or comply with any condition in this Agreement;
- viii. An offer from a public entity to purchase the Project, the Joint System, or any Member System or any portion thereof, or any of the real or personal property related to or necessary for the Project;
- ix. A proceeding or action by a public entity to acquire the Project, the Joint System, or any Member System by power of eminent domain;
- x. Incurrence of a Project Bond or other Material Obligation by the Recipient, or of a Member Obligation by any Member; or
- xi. A default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Project Bond or other Material Obligation of the Recipient or of a Member Obligation of any Member, any of which reflect financial difficulties.

(d) Within ten (10) business days, the Recipient or Operating JPA must notify the Division by phone at (916) 327-9978, by email to [PM email address and senior email address] and CleanWaterSRF@waterboards.ca.gov DrinkingWaterSRF@waterboards.ca.gov, and by mail to the contact address set forth in Section 4 of this Agreement of the following events:

- i. Material defaults on Material Obligations or Member Material Obligations, other than this Obligation;
- ii. Unscheduled draws by any Project Party on material debt service reserves or credit enhancements, reflecting financial difficulties;
- iii. Substitution of credit or liquidity providers, if any or their failure to perform;
- iv. Any litigation pending or threatened with respect to the Project, the Operating JPA's technical, managerial or financial capacity to operate the Joint System, any Member's technical, managerial or financial capacity to operate any Member System the continued existence of any Project Party, or any judgment or court order relating to such litigation that has a significant effect on the Project, the Joint System, or any Member System;
- v. Circulation of a petition to repeal, reduce, or otherwise challenge any Member's rates for services of any Member System;
- vi. Consideration of dissolution, or disincorporation, or any other event that could materially impair the Revenues or any Member Revenues;
- vii. Adverse tax opinions, the issuance by the Internal Revenue Service or proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-

- TEB) or other material notices of determinations with respect to the tax status of any tax-exempt bonds of any Project Party;
- viii. Rating changes on outstanding Project Bonds or Member Obligations, if any;
 - ix. Enforcement actions by or brought on behalf of the State Water Board or Regional Water Board against any Project Party; or
 - x. Any investigation by the District Attorney, California State Auditor, Bureau of State Audits, USEPA's Office of Inspector General, the Internal Revenue Service, Securities and Exchange Commission, a grand jury, or any other state or federal agency, relating to the financial management, accounting procedures, or internal fiscal controls of any Project Party;
- (e) The Recipient or Operating JPA must notify the Division promptly by phone at (916) 327-9978, by email to [PM email address and senior email address] and CleanWaterSRF@waterboards.ca.gov, and by mail to the contact address set forth in Section 4 of this Agreement of any of the following events:
- i. The discovery of a false statement of fact or representation made in this Agreement or in the application to the Division for this financial assistance, or in any certification, report, or request for reimbursement made pursuant to this Agreement, by any Project Party or its employees, agents, or contractors;
 - ii. Any substantial change in scope of the Project. The Recipient and Operating JPA must not undertake any substantial change in the scope of the Project until prompt written notice of the proposed change has been provided to the Division and the Division has given written approval for the change;
 - iii. Cessation of all major construction work on the Project where such cessation of work is expected to or does extend for a period of thirty (30) days or more;
 - iv. Any circumstance, combination of circumstances, or condition, which is expected to or does delay Completion of Construction for a period of ninety (90) days or more;
 - v. Any disputes related to the Project that may affect the Recipient or Operating JPA's ability to comply with the terms of this Agreement;
 - vi. Discovery of any unexpected endangered or threatened species, as defined in the federal Endangered Species Act. Should a federally protected species be unexpectedly encountered during construction of the Project, the Operating JPA agrees to promptly notify the Division. This notification is in addition to the Recipient and Operating JPA's obligations under the federal Endangered Species Act;
 - vii. Any Project monitoring, demonstration, or other implementation activities required in Exhibit A or Exhibit D of this Agreement, if any;
 - viii. Any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by state and federal representatives with at least ten (10) working days' notice to the Division;
 - ix. Any allegation of research misconduct involving research activities that are supported in whole or in part with USEPA funds under this Project, as required by Exhibit C.4.3(xxvii);
 - x. Any events requiring notice to the Division pursuant to the provisions of this Agreement;
 - xi. Completion of Construction of the Project, and actual Project Completion;
 - xii. The award of the prime construction contract for the Project;
 - xiii. Initiation of construction of the Project; or
 - xiv. Consideration of any amendment to the Payment Agreement, Operating JPA Agreement, or PFA Agreement which may have a material impact on the ability

of any Project Party to meet any obligation or perform any covenant under this Agreement or any Payment Agreement.

C.3.26 Operation and Maintenance; Insurance.

The Operating JPA agrees to sufficiently and properly staff, operate and maintain all portions of the Joint System during the Useful Life of the Project in accordance with all applicable state and federal laws, rules, and regulations.

The Operating JPA will procure and maintain or cause to be maintained insurance on the Joint System with responsible insurers, or as part of a reasonable system of self-insurance, in such amounts and against such risks (including damage to or destruction of the Joint System) as are usually covered in connection with systems similar to the Joint System. Such insurance may be maintained by a self-insurance plan so long as such plan provides for (i) the establishment by the Recipient of a separate segregated self-insurance fund in an amount determined (initially and on at least an annual basis) by an independent insurance consultant experienced in the field of risk management employing accepted actuarial techniques and (ii) the establishment and maintenance of a claims processing and risk management program.

In the event of any damage to or destruction of the Joint System caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Joint System. The Operating JPA must begin such reconstruction, repair or replacement as expeditiously as possible, and must pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same must be completed and the Joint System must be free and clear of all claims and liens. If such net proceeds are insufficient to reconstruct, repair, or restore the Joint System to the extent necessary to enable the Operating JPA to pay all remaining unpaid principal portions of the Payments, if any, in accordance with the terms of this Agreement, the Operating JPA must provide additional funds to restore or replace the damaged portions of the Joint System.

Operating JPA agrees that for any policy of insurance concerning or covering the construction of the Project, it will cause, and will require its contractors and subcontractors to cause, a certificate of insurance to be issued showing the State Water Board, its officers, agents, employees, and servants as additional insured; and must provide the Division with a copy of all such certificates prior to the commencement of construction of the Project.

C.3.27 Permits, Subcontracting, and Remedies.

Operating JPA must procure all permits, licenses and other authorizations necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Signed copies of any such permits or licenses must be submitted to the Division before any construction begins.

The Operating JPA must not contract or allow subcontracting with excluded parties. The Operating JPA must not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which this funding is authorized. For any work related to this Agreement, the Operating JPA must not contract with any individual or organization on the State Water Board's List of Disqualified Businesses and Persons that is identified as debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which funding under this Agreement is authorized. The State Water Board's List of Disqualified Businesses and Persons is located at

http://www.waterboards.ca.gov/water_issues/programs/enforcement/fwa/dbp.shtml

C.3.28 Professionals.

The Recipient and Operating JPA agree that only licensed professionals will be used to perform services under this Agreement where such services are called for. All technical reports required pursuant to this Agreement that involve planning, investigation, evaluation, design, or other work requiring interpretation and proper application of engineering, architectural, or geologic sciences, shall be prepared by or under the direction of persons registered to practice in California pursuant to Business and Professions Code, sections 5536.1, 6735, 7835, and 7835.1. To demonstrate compliance with California Code of Regulations, title 16, sections 415 and 3065, all technical reports must contain a statement of the qualifications of the responsible registered professional(s). As required by these laws, completed technical reports must bear the signature(s) and seal(s) of the registered professional(s) in a manner such that all work can be clearly attributed to the professional responsible for the work.

C.3.29 Prevailing Wages.

The Operating JPA agrees to be bound by all applicable provisions of State Labor Code regarding prevailing wages. The Operating JPA must monitor all agreements subject to reimbursement from this Agreement to ensure that the prevailing wage provisions of the State Labor Code are being met.

In addition, the Operating JPA agrees to comply with the Davis-Bacon provisions incorporated by reference in Section 3 of this Agreement.

C.3.30 Public Funding.

This Project is publicly funded. Any service provider or contractor with which the Recipient or Operating JPA contracts must not have any role or relationship with the Recipient or Operating JPA, that, in effect, substantially limits the Operating JPA's ability to exercise its rights, including cancellation rights, under the contract, based on all the facts and circumstances.

C.3.31 Recipient and Operating JPA's Responsibility for Work.

The Recipient and Operating JPA shall be responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Recipient and Operating JPA shall be responsible for responding to any and all disputes arising out of its contracts for work on the Project. The State Water Board will not mediate disputes between the Recipient or Operating JPA and any other entity concerning responsibility for performance of work.

C.3.32 Records Retention.

The Recipient and Operating JPA must maintain separate books, records and other material relative to the Project, including compliance documentation. The Operating JPA must also retain such books, records, and other material for itself and for each contractor or subcontractor who performed or performs work on this project for a minimum of thirty-six (36) years after Completion of Construction. The Recipient and Operating JPA must require that such books, records, and other material are subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by the State Water Board, the California State Auditor, the Bureau of State Audits, the USEPA, the USEPA's Office of Inspector General, the Internal Revenue Service, the Governor, or any authorized representatives of the aforementioned. The Recipient and Operating JPA must allow and must require their contractors to allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Recipient and Operating JPA agree to include

a similar duty regarding audit, interviews, and records retention in any contract or subcontract related to the performance of this Agreement. The provisions of this section survive the term of this Agreement.

C.3.33 Related Litigation.

Under no circumstances may the Recipient or Operating JPA use funds from any reimbursement under this Agreement to pay costs associated with any litigation the Recipient or Operating JPA pursues against the State Water Board or any Regional Water Quality Control Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Recipient agrees to repay all of the disbursed funds plus interest in the event that Recipient does not complete the project.

C.3.34 Rights in Data.

The Recipient and Operating JPA agree that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Agreement are subject to the rights of the State as set forth in this section. The State shall have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Recipient or Operating JPA may copyright the same, except that, as to any work which is copyrighted by the Recipient or Operating JPA, the State reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so, and to receive electronic copies from the Recipient or Operating JPA upon request.

C.3.35 State Water Board Action; Costs and Attorney Fees.

Any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State Water Board as a result of breach of this Agreement by the Recipient or the Operating JPA, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Agreement by the State Water Board shall not preclude the State Water Board from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Agreement, it is agreed that each party shall bear its own costs and attorney fees.

C.3.36 Timeliness.

Time is of the essence in this Agreement.

C.3.37 Unenforceable Provision.

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

C.3.38 Venue.

Any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California.

C.3.39 Waiver and Rights of the State Water Board.

Any waiver of rights by the State Water Board with respect to a default or other matter arising under this Agreement at any time shall not be considered a waiver of rights with respect to any other default or

matter. Any rights and remedies of the State Water Board provided for in this Agreement are in addition to any other rights and remedies provided by law.

C.4 MISCELLANEOUS STATE AND FEDERAL REQUIREMENTS

C.4.1 [Reserved]

C.4.2 State Cross-Cutters.

Recipient and Operating JPA represent that, as applicable, they comply and covenant to maintain compliance with the following with respect to all Project Costs for the term of this Agreement:

- i. The California Environmental Quality Act (CEQA), as set forth in Public Resources Code 21000 et seq. and in the CEQA Guidelines at Title 14, Division 6, Chapter 3, Section 15000 et seq.
- ii. Water Conservation requirements, including regulations in Division 3 of Title 23 of the California Code of Regulations.
- iii. Monthly Water Diversion Reporting requirements, including requirements set forth in Water Code section 5103.
- iv. Public Works Contractor Registration with Department of Industrial Relations requirements, including requirements set forth in Sections 1725.5 and 1771.1 of the Labor Code.
- v. Volumetric Pricing & Water Meters requirements, including the requirements of Water Code sections 526 and 527.
- vi. Urban Water Management Plan requirements, including the Urban Water Management Planning Act (Water Code, § 10610 et seq.).
- vii. Urban Water Demand Management requirements, including the requirements of Section 10608.56 of the Water Code.
- viii. Delta Plan Consistency Findings requirements, including the requirements of Water Code section 85225 and California Code of Regulations, title 23, section 5002.
- ix. Agricultural Water Management Plan Consistency requirements, including the requirements of Water Code section 10852.
- x. Charter City Project Labor Requirements, including the requirements of Labor Code section 1782 and Public Contract Code section 2503.
- xi. The Recipient agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with directives or orders issued pursuant to Division 7 of the Water Code.
- xii. Regulations in Division 4 of Title 22 of the California Code of Regulations, including but not limited to California Waterworks Standards in Chapter 16, and Lead and Copper regulations in Chapter 17.5.

C.4.3 Federal Requirements and Cross-Cutters for SRF Funding.

The Recipient and Operating JPA acknowledge, warrant compliance with, and covenant to continuing compliance with the following federal terms and conditions with respect to all Project Costs for the term of this Agreement and for the Useful Life of the Project:

- i. Unless the Recipient or Operating JPA has obtained a waiver from USEPA on file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient and Operating JPA shall not purchase "iron and steel products" produced outside of the United States on this Project. Unless the Recipient or Operating JPA has obtained a waiver from USEPA on file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient and Operating JPA hereby certify that all "iron and steel products" used in the Project were or will be produced in the United States. For purposes of this section, the term "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. "Steel" means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.
- ii. The Recipient and Operating JPA acknowledge that funds received under this Agreement are subject to the Build America Buy America (BABA) requirements of Public Law 117-58 (the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law (BIL), signed into law on November 15, 2021), which are in addition to "iron and steel products" requirements described in section C.4.3 (i) above. Specifically, unless (1) the Recipient or Operating JPA has requested and obtained a waiver from USEPA on file with the State Water Board pertaining to the Project or the Project is otherwise covered by a general applicability waiver, as confirmed in writing by the State Water Board; or (2) the State Water Board and, to the extent the Project is co-funded by any other agency using federal funds subject to BABA requirements, each such agency, has advised the Recipient or Operating JPA in writing that the BABA requirements are not applicable to the Project, the Recipient and Operating JPA shall ensure and certify that, as these terms are defined within and made applicable by Public Law 117-58:
 - (a) all iron and steel used in the Project are produced in the United States;
 - (b) the manufactured products used in the Project are produced in the United States; and
 - (c) the construction materials used in the Project are produced in the United States.The Recipient and Operating JPA must comply and require its contractors and subcontractors to comply with all applicable BABA requirements and reporting and must inform the State Water Board immediately of any information regarding a violation of the foregoing.
- iii. The Recipient and Operating JPA must include in full the Wage Rate Requirements (Davis-Bacon) language incorporated by reference in Section 3 of this Agreement in all construction contracts and subcontracts.
- iv. The Recipient and Operating JPA must comply with the signage requirements set forth in Exhibit A.
- v. The Recipient or Operating JPA shall notify the State Water Board and the USEPA contact of public or media events publicizing the accomplishment of significant events related to this Project and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

- vi. The Recipient and Operating JPA shall comply with applicable USEPA general terms and conditions found at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2024-or-later> .
- vii. The Recipient may not receive funding under this Agreement unless it has provided its Unique Entity Identifier, assigned by the System for Award Management, to the State Water Board.
- viii. The Recipient and the Operating JPA represent and warrant that they and their principals are not excluded or disqualified from participating in this transaction as such terms are defined in Parts 180 and 1532 of Title 2 of the Code of Federal Regulations (2 CFR). If the Recipient or Operating JPA is excluded after execution of this Agreement, the Recipient or Operating JPA shall notify the Division within ten (10) days and shall inform the Division of the Recipient's or Operating JPA's exclusion in any request for amendment of this Agreement. The Recipient and Operating JPA shall comply with Subpart C of Part 180 of 2 CFR, as supplemented by Subpart C of Part 1532 of 2 CFR. Such compliance is a condition precedent to the State Water Board's performance of its obligations under this Agreement. When entering into a covered transaction as defined in Parts 180 and 1532 of 2 CFR, the Recipient or Operating JPA shall require the other party to the covered transaction to comply with Subpart C of Part 180 of 2 CFR, as supplemented by Subpart C of Part 1532 of 2 CFR.
- ix. To the extent applicable, the Recipient and Operating JPA shall disclose to the State Water Board any potential conflict of interest consistent with USEPA's Final Financial Assistance Conflict of Interest Policy at <https://www.epa.gov/grants/epas-final-financial-assistance-conflict-interest-policy>. A conflict of interest may result in disallowance of costs.
- x. USEPA and the State Water Board have the right to reproduce, publish, use and authorize others to reproduce, publish and use copyrighted works or other data developed under this assistance agreement. This includes the right to require the Recipient and Operating JPA to make such works available through agency-designated public access repositories.
- xi. Where an invention is made with Project Funds, USEPA and the State Water Board retain the right to a worldwide, nonexclusive, nontransferable, irrevocable, paid-up license to practice the invention owned by the Recipient or the Operating JPA. The Recipient or Operating JPA must utilize the Interagency Edison extramural invention reporting system at <https://www.nist.gov/iedison> and shall notify the Division when an invention report, patent report, or utilization report is filed.
- xii. The Recipient and Operating JPA agree that any reports, documents, publications or other materials developed for public distribution supported by this Agreement shall contain the Disclosure statement set forth in Exhibit A.
- xiii. The Recipient and Operating JPA acknowledge that they are encouraged to follow guidelines established under Section 508 of the Rehabilitation Act, codified at 36 CFR Part 1194, with respect to enabling individuals with disabilities to participate in its programs supported by this Project.
- xiv. The Recipient and the Operating JPA, and the employees, contractors and subcontractors of each and their employees warrant that it will not engage in severe forms of trafficking in persons, procure a commercial sex act during the term of this Agreement, use forced labor in the performance of this Agreement, or engage in acts that directly support or advance trafficking in persons, including (i) destroying, concealing, removing, confiscating, or otherwise denying an employee access to that employee's identity or immigration documents; (ii) failing to provide return transportation or pay for return transportation costs to an employee from a country outside the United States to the country from which the employee was recruited upon the end of

employment if request by the employee, unless exempted from the requirement to provide or pay for such return transportation by the Federal department or agency providing or entering into the grant or cooperative agreements or the employee is a victim of human trafficking seeking victim services or legal redress in the country of employment or a witness in a human trafficking enforcement action; (iii) soliciting a person for the purpose of employment, or offering employment, by means of materially false or fraudulent pretenses, representations, or promises regarding that employment; (iv) charging recruited employees a placement or recruitment fee; or (v) providing or arranging housing that fails to meet the host country's housing and safety standards. The Recipient and Operating JPA must include this provision in their contracts and subcontracts under this Agreement. The Recipient or Operating JPA must inform the State Water Board immediately of any information regarding a violation of the foregoing. The Recipient and Operating JPA understand that failure to comply with this provision may subject the State Water Board to loss of federal funds. The Recipient and Operating JPA agree to compensate the State Water Board for any such funds lost due to its failure to comply with this condition, or the failure of its contractors or subcontractors to comply with this condition. The State Water Board may unilaterally terminate this Agreement if the Recipient that is a private entity is determined to have violated the foregoing.

- xv. The Recipient and Operating JPA certify to the best of their knowledge and belief that:
- a. No federal appropriated funds have been paid or will be paid, by or on behalf of the Recipient or the Operating JPA, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with this Agreement, the Recipient or Operating JPA shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions, and notify the State Water Board.

The Recipient and Operating JPA shall require this certification from all parties to any contract or agreement that the Recipient or Operating JPA enters into and under which the Recipient or Operating JPA incurs costs for which it seeks reimbursements under this Agreement.

- xvi. The Recipient and Operating JPA must comply with the following federal non-discrimination requirements:
- a. Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color, and national origin, including limited English proficiency (LEP).
 - b. Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against persons with disabilities.
 - c. The Age Discrimination Act of 1975, which prohibits age discrimination.
 - d. Section 13 of the Federal Water Pollution Control Act Amendments of 1972, which prohibits discrimination on the basis of sex.
 - e. 40 CFR Part 7, as it relates to the foregoing.
- xvii. If the Project relates to construction of a publicly owned treatment works, where the Recipient or Operating JPA contracts for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or architectural related services, the Recipient or Operating JPA shall ensure that any such contract is negotiated in the same manner as a contract for architectural and engineering services is negotiated under chapter

11 of title 40, United States Code, or an equivalent State qualifications-based requirement as determined by the State Water Board.

- xviii. If the Project relates to construction of a publicly owned treatment works, the Recipient and Operating JPA certify that they have developed and are implementing a fiscal sustainability plan for the Project, except as set forth in Exhibit D, that includes an inventory of critical assets that are a part of the Project, an evaluation of the condition and performance of inventoried assets or asset groupings, a certification that the Recipient or Operating JPA has evaluated and will be implementing water and energy conservation efforts as part of the plan, and a plan for maintaining, repairing, and, as necessary, replacing the Project and a plan for funding such activities.
- xix.
- xx. Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans; 42 USC § 7606; 33 USC § 1368. Except where the purpose of this Agreement is to remedy the cause of the violation, the Recipient and Operating JPA may not procure goods, services, or materials from suppliers excluded under the federal System for Award Management: sam.gov
- xxi. Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended; 42 USC §§4601-4655. The Recipient and Operating JPA must comply with the Act's implementing regulations at 49 CFR 24.101 through 24.105.
- xxii. The Recipient and Operating JPA agree that if their network or information system is connected to USEPA networks to transfer data using systems other than the Environmental Information Exchange Network or USEPA's Central Data Exchange, they will ensure that any connections are secure. For purposes of this subsection, a connection is defined as a dedicated persistent interface between a USEPA information technology system and an external information technology system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition. If the Recipient's or Operating JPA's connections as defined above do not go through the Environmental Information Exchange Network or USEPA's Central Data Exchange, the Recipient and Operating JPA agree to contact the USEPA Project Officer and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet USEPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the Recipient or Operating JPA into systems operated and used by USEPA's regulatory programs for the submission of reporting and/or compliance data.
- xxiii. All geospatial data created pursuant to this Agreement that is submitted to the State Water Board for use by USEPA or that is submitted directly to USEPA must be consistent with Federal Geographic Data Committee endorsed standards. Information on these standards may be found at www.fgdc.gov
- xxiv. If the Recipient or Operating JPA is a water system that serves 500 or fewer persons, the Recipient represents that it has considered publicly-owned wells as an alternative drinking water supply.
- xxv. The Recipient and Operating JPA each represent that it is not a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and it is not a

corporation that was convicted of a felony criminal violation under a Federal law within the preceding 24 months.

xxvi. The Recipient and Operating JPA agree to immediately notify the Project Manager in writing about any allegation of research misconduct involving research activities that are supported in whole or in part with USEPA funds under this Project, including fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results, or ordering, advising, or suggesting that subordinates engage in research misconduct.

xxvii. The Recipient and Operating JPA agree to comply with, and require all contractors and subcontractors to comply with, USEPA's Scientific Integrity Policy, available at <https://www.epa.gov/osa/policy-epa-scientific-integrity>, when conducting, supervising, and communicating science and when using or applying the results of science. For purposes of this condition scientific activities include, but are not limited to, computer modelling, economic analysis, field sampling, laboratory experimentation, demonstrating new technology, statistical analysis, and writing a review article on a scientific issue.

The Recipient and Operating JPA shall not suppress, alter, or otherwise impede the timely release of scientific findings or conclusions; intimidate or coerce scientists to alter scientific data, findings, or professional opinions or exert non-scientific influence on scientific advisory boards; knowingly misrepresent, exaggerate, or downplay areas of scientific uncertainty; or otherwise violate the USEPA's Scientific Integrity Policy. The Recipient and Operating JPA must refrain from acts of research misconduct, including publication or reporting, as described in USEPA's Policy and Procedures for Addressing Research Misconduct, Section 9.C, and must ensure scientific findings are generated and disseminated in a timely and transparent manner, including scientific research performed by contractors and subcontractors.

xxviii. The Recipient and Operating JPA agree to comply with the Animal Welfare Act of 1966 (7 USC 2131-2156). Recipient and Operating JPA also agree to abide by the "U.S. Government Principles for the Utilization and Care of Vertebrate Animals used in Testing, Research, and Training," available at <http://grants.nih.gov/grants/olaw/references/phspol.htm#USGovPrinciples>.

xxix. The Recipient and Operating JPA certify that no Project Funds will be used on:

- a. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities), telecommunications or video surveillance equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
- b. Telecommunications or video surveillance services provided by such entities or using such equipment;
- c. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country;
- d. Systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system; or
- e. Other telecommunications or video surveillance services or equipment in violation of [2 CFR 200.216](#).

xxx. The Recipient agrees to comply with all applicable federal environmental cross-cutters, including the following:

- a. Archeological and Historic Preservation Act (16 U.S.C. § 469; 54 U.S.C. §§ 312501-312508)
- b. Clean Air Act (42 U.S.C. § 7401)
- c. Coastal Barriers Resources Act (16 U.S.C. § 3501 et seq.)
- d. Coastal Zone Management Act (16 U.S.C. § 1451 et seq.)
- e. Endangered Species Act (16 U.S.C. § 1531 et seq.)
- f. Farmland Protection Policy Act (7 U.S.C. § 4201 et seq.)
- g. Floodplain Management [Executive Order 11988 (1977), as amended by Executive Order No. 12148 (1979)]
- h. Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. § 1801 et seq.)
- i. National Historic Preservation Act (54 U.S.C. §§ 300101 et seq.)
- j. Sole Source Aquifer, section 1424(e) of Safe Drinking Water Act, 42 U.S.C. 300h-3(e)
- k. Wetlands Protection – Executive Order No. 11990 (1977), as amended by Executive Order No. 12608 (1997)
- l. Wild and Scenic Rivers Act (16 U.S.C. § 1271 et seq.)

EXHIBIT D – SPECIAL CONDITIONS

D.1 Payment Agreements.

D.1.1 Execution and Delivery of the Payment Agreements.

As a condition precedent of this Agreement, the Recipient and Operating JPA shall enter into Payment Agreements with each Member, providing for each Member's payment to the Recipient of its Allocated Share of Payments, Additional Payments, Reserve Fund Contributions, Member Contributions, and all other amounts required to be paid under this Agreement, and all Project Bond Payments. Prior to execution of this Agreement, the Recipient shall deliver executed copies of these Payment Agreements to the Division, which are to be attached as Exhibits to this Agreement. The Payment Agreements so executed and delivered must be satisfactory to the State Water Board's counsel and in accordance with the requirements for the Payment Agreements detailed in this Exhibit D, in addition to any other terms required elsewhere in this Agreement to be included in the Payment Agreements.

D.1.2 Payment Provisions.

(a) Each Payment Agreement must require that the Member must pay to the Recipient its Allocated Share of any and all amounts the Recipient or the Operating JPA is obligated to pay to the State Water Board under this Agreement, including but not limited to all Payments, Additional Payments, damages for breach of tax-exempt status, and damages for breach of federal conditions, and all Project Bond Payments. Each Payment Agreement must also require that the Member must make Reserve Fund Contributions to the Recipient and make Member Contributions to the Operating JPA sufficient for the Recipient and Operating JPA to meet their obligations under this Agreement.

(b) Each Member must pay its Allocated Share of any amounts due under this Agreement to the Recipient no later than five (5) business days prior to the date on which such amounts become due and payable by the Recipient. If any amount under this Agreement becomes due and payable by the Recipient immediately upon the occurrence of an event, each Member's Allocated Share of such amount shall automatically become immediately due and payable to the Recipient without further action by the Recipient or the State Water Board, and the Recipient shall not be entitled to any additional grace period for the collection of the Allocated Shares of such amount from the Members.

(c) Each Member shall be entitled to pay its Allocated Share of Project Bond Payments directly to a trustee or holder of Project Bonds other than the State Water Board as may be provided in the documentation for such Project Bonds; provided, however that the Member must give prompt notice of such payments to the Division as required by D.1.8(d)(iii) below. Such payments are Revenues within the meaning of this Agreement and are subject to the lien and pledge of this Agreement notwithstanding that they are not received by the Recipient.

(d) Each Member is obligated to pay its Allocated Share of all payments required by this Agreement or its Payment Agreement, notwithstanding any individual default by its constituents or others in the payment to the Member of fees, charges, taxes, assessments, tolls or other charges ("Member Charges") levied or imposed by the Member. Each Member must provide for the punctual payment to the Recipient of all amounts which become due under its Payment Agreement and which are received from constituents or others in the payment to the Member. In the event of failure, neglect or refusal of any officer of a Member to levy or cause to be levied any Member Charge to provide payment by the Member under its Payment Agreement, to enforce or to collect such Member Charge, or to pay over to the Recipient any money collected on account of such Member Charge necessary to satisfy any amount due under its Member Agreement, the Recipient may take such action in a court of competent jurisdiction as it

deems necessary to compel the performance of all duties relating to the imposition or levying and collection of any of such Member Charges and the payment of the money collected therefrom to the Recipient. Action taken pursuant hereto shall not deprive the Recipient of, or limit the application of, any other remedy provided by law or by the Payment Agreement.

(e) The obligation of each Member to make the Member Payments and other payments required to be made by it under its Payment Agreement, from its Member Net Revenues and/or other amounts legally available to the Member therefor, is absolute and unconditional, and until such time as the Payments and Additional Payments have been paid in full, the Member must not discontinue or suspend any Member Payments or other payments required to be made by it under the Payment Agreement when due, whether or not the Project, or any related part thereof is operating or operable or has been completed, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such Member Payments and other payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever. For the avoidance of doubt, no Member shall be excused from its obligation to make Member Payments or to pay its Allocated Share of any other amounts due from the Recipient or Operating JPA under this Agreement by any default of any other Project Party. Additionally, each Member shall be responsible for its Allocated Share of any amounts becoming due under this Agreement due to a default by one or more Project Parties (e.g., Additional Payments, penalty interest, damages for breach of tax-exempt status, damages for breach of federal conditions, etc.) regardless of whether it committed the default causing such amounts to be due.

D.1.3 Security for Member Payments and Financial Covenants of the Members.

In each Payment Agreement, each Member shall be required to agree to the following:

D.1.3.1 Establishment of Member Enterprise Fund.

In order to carry out its Member Obligations, each Member covenants that it shall establish and maintain or shall have established and maintained a Member Enterprise Fund. All Member Revenues received by each Member shall be deposited when and as received in trust in such Member's Member Enterprise Fund.

D.1.3.2 Pledge of Member Net Revenues and Member Enterprise Fund.

Each Member's Member Payment Obligation shall be secured by a lien on and pledge of the Member's Member Enterprise Fund and Member Net Revenues on parity with the Member Parity Obligations. Each Member shall pledge and grant such lien on and pledge of its Member Enterprise Fund and Member Net Revenues to secure its Member Payment Obligation. Each Member Enterprise Fund and the Member Net Revenues in each Member Enterprise Fund shall be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Member.

D.1.3.3 Application and Purpose of the Member Enterprise Funds.

Subject to the provisions of any outstanding Member Obligation, money on deposit in the Member Enterprise Funds shall be applied and used first, to pay Member Operations and Maintenance Costs, and thereafter, all amounts due and payable with respect to the Member Obligations in order of priority. After making all payments hereinabove required to be made in each Fiscal Year, each Member may expend in such Fiscal Year any remaining money in its Member Enterprise Fund for any lawful purpose of the Member.

D.1.3.4 No Prepayment.

The Payment Agreements must not allow a Member to prepay any portion of its Allocated Share of the principal and interest due under this Agreement without the written consent of the Deputy Director of the Division.

D.1.3.5 Members' Rates, Fees, and Charges.

(a) Each Member must, to the extent permitted by law, fix, prescribe and collect rates, fees and charges for its Member System during each Fiscal Year which are reasonable, fair, and nondiscriminatory and which will be sufficient to generate Member Revenues in the amounts necessary to cover such Member's Member Operations and Maintenance Costs, and must ensure that Member Net Revenues are equal to the sum of (i) at least 120% of the Maximum Annual Debt Service with respect to all outstanding Member Obligations senior to and on parity with the Member Payment Obligation and (ii) at least 100% of the Maximum Annual Debt Service with respect to all outstanding Member Obligations subordinate to the Member Payment Obligation, so long as such Member's Member Obligations other than its Member Payment Obligation are outstanding. Upon defeasance of all of a Member's Member Obligations other than its Member Payment Obligation, this ratio must be at least 120%, except where Member Obligations are defeased pursuant to refunding obligations.

(b) Each Member may make adjustments from time to time in such fees and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates, fees and charges then in effect unless the Member Net Revenues from such reduced rates, fees, and charges will at all times be sufficient to meet the requirements of this section.

(c) Upon consideration of a voter initiative to reduce a Member's Member Revenues, the Member must make a finding regarding the effect of such a reduction on the Member's ability to satisfy the rate covenant described in Section D.1.3.5(a). The Member must make its findings available to the public. The Member's Member Authorized Representative must request, if necessary, the authorization of the Member's decision-maker or decision-making body to file litigation to challenge any such initiative that it finds will render it unable to satisfy the rate covenant described in D.1.3.5(a) and its obligation to make Member Contributions to operate and maintain the Project for its Useful Life. The Member must diligently pursue and bear any and all costs related to such challenge. The Member must notify and regularly update the Recipient and the State Water Board regarding the status of any such challenge.

D.1.3.6 Additional Member Obligations.

(a) The future debt of any Member that is secured by Member Revenues pledged herein may not be senior to the Member's Member Payment Obligation. For the avoidance of doubt, this prohibition shall apply to any future debt issued by any joint powers authority of which the Member is a member and to any future Water Supply Debt. The Member's share of debt service payments on any such future debt must not be senior in right of payment to the Member's Member Payment Obligation or any Member Parity Obligations, and the issuance of any such debt for which the Member is obligated to pay a share of debt service payments must comply with the requirements of D.1.3.6(b) herein.

(b) A Member may issue additional Member Parity Obligations or Member Subordinate Obligations only if all of the following conditions are met:

- i. No Event of Default under this Agreement or event of default of the Member's Payment Agreement (or no event with respect to which notice has been given and which, once all notice of grace periods have passed, would constitute such an event) has occurred and is continuing;
- ii. The Member's Member Net Revenues in the most recent Fiscal Year, excluding transfers from a rate stabilization fund, if any, and including an allowance for any increase in Member Revenues arising in the current or next five Fiscal Years from any increase in rates and charges imposed by the Member that have been adopted by the governing board of the Member as of the date of the calculation, meet the ratio for rate covenants set forth in D.1.3.5(a) with respect to any outstanding and proposed additional Member Obligations;
- iii. The Member is in compliance with its obligation to make Reserve Fund Contributions

(c) Las Virgenes Municipal Water District's Member Payment Obligation is secured by its Member Net Revenues, which represent the combined net revenues of the Las Virgenes Potable Water System, the Las Virgenes Recycled Water System, and the Las Virgenes Wastewater System (each, a "Las Virgenes Subsystem"). In addition to the rules for additional debt described in D.1.3.6(a) and (b) above, Las Virgenes Municipal Water District may issue additional debt secured by its Member Net Revenues only if it is in compliance with the supplemental financial information requirement contained in D.1.12 below.

(d) No Member shall make a pledge of or place any lien on its Member System, Member Revenues, or any ownership interest it holds in the Project or the Joint System except as otherwise provided or permitted by the Payment Agreement. Las Virgenes Municipal Water District shall not make a pledge of or place any lien on any Las Virgenes Subsystem or the revenues thereof, except as otherwise provided or permitted by its Payment Agreement.

D.1.4 Payment Agreement Events of Default

Under each Payment Agreement, occurrence of each of the following events must be defined to be an event of default:

(a) Failure by the Member to make any payment of its Allocated Share of any amount required to be paid pursuant to this Agreement, including Payments and Project Bond Payments;

(b) A representation or warranty made by or on behalf of the Member in any document furnished by or on behalf of the Member to the State Water Board pursuant to this Agreement shall prove to have been inaccurate, misleading or incomplete in any material respect;

(c) A material adverse change in the condition of the Member, its Member Revenues, or its Member System, which the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under the Agreement or the Member's obligations under the Member's Payment Agreement.

(d) Failure by the Member to comply with the additional debt test required in its Payment Agreement or to make Reserve Fund Contributions;

(e) Failure by the Member to operate its Member System without the Division's approval;

(f) Failure by the Member to observe and perform any covenant, condition, or provision in its Payment Agreement, which failure shall continue for a period of time, to be determined by the Recipient or by the Division pursuant to its power to enforce the Payment Agreement;

(g) The occurrence of a material breach or event of default under any Member Obligation or Member Material Obligation that results in the acceleration of principal or interest or otherwise requires immediate prepayment, repurchase or redemption;

(h) Initiation of proceedings seeking arrangement, reorganization, or any other relief under any applicable bankruptcy, insolvency, or other similar law; the appointment of or taking possession of the Member's property by a receiver, liquidator, assignee, trustee, custodian, conservator, or similar official; the Member's entering into a general assignment for the benefit of creditors; the initiation of resolutions or proceedings to terminate the Recipient's existence, or any action in furtherance of any of the foregoing;

(i) A determination pursuant to Gov. Code section 11137 that the Member has violated any provision in Article 9.5 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code; or

(j) Loss of the Member's rights, licenses, permits, or privileges necessary for the operation of its Member System, or the occurrence of any material restraint on the Member's enterprise by a government agency or court order.

D.1.5 Representations and Warranties of the Members.

In each Payment Agreement, the Member shall make all of the following representations, warranties, and commitments as of the Eligible Work Start Date and continuing thereafter for the term of the Payment Agreement.

D.1.5.1 Application and General Member Commitments.

The Member has not made, or caused either directly or by omission the Recipient or Operating JPA to make, any untrue statement of a material fact in the application for State Water Board financial assistance or in any other communication with the State Water Board related to the Recipient's application for State Water Board financial assistance.

D.1.5.2 Authorization and Validity.

The execution and delivery of the Payment Agreement, including all incorporated documents, has been duly authorized by the Member. Upon execution by all parties, the Payment Agreement constitutes a valid and binding obligation of the Member, enforceable in accordance with its terms, except as such enforcement may be limited by law.

D.1.5.3 No Violations.

The execution, delivery, and performance by the Member of the Payment Agreement, including any incorporated documents, do not violate any provision of any law or regulation in effect as of the dates of execution of the Payment Agreement by the Member, or result in any breach or default under any contract, obligation, indenture, or other instrument to which the Member is a party or by which the Member is bound as of the date of execution of the Payment Agreement by the Recipient.

D.1.5.4 No Litigation.

There are, as of the dates of execution of the Payment Agreement by the Member, no pending or, to the knowledge of the Member, threatened actions, claims, investigations, suits, or proceedings before any governmental authority, court, or administrative agency which materially affect, or, if resolved unfavorably to the Member, would materially affect the financial condition or operations of the Member, the Member System, the Member Revenues, and/or the Project.

There are no proceedings, actions, or offers by a public entity to acquire by purchase or the power of eminent domain the Member System or any of the real or personal property related to or necessary for the Project.

D.1.5.5 Solvency and Insurance.

None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of the Member. The Member is solvent and will not be rendered insolvent by the transactions contemplated by the Payment Agreement. The Member is able to pay its debts as they become due. The Member maintains sufficient insurance coverage considering the scope of the Payment Agreement, including, for example but not necessarily limited to, general liability, automobile liability, workers compensation and employer liability, professional liability.

D.1.5.6 Legal Status and Eligibility.

The Member is duly organized and existing and in good standing under the laws of the State of California. The Member must at all times maintain its current legal existence and preserve and keep in full force and

effect its legal rights and authority. The Member acknowledges that changes to its legal or financial status may affect the Recipient's eligibility for funding under the Agreement and commits to maintaining its eligibility. Within the preceding ten years, the Member has not failed to demonstrate compliance with state or federal audit disallowances.

D.1.5.7 Financial Statements and Continuing Disclosure.

The financial statements of the Member previously delivered to the State Water Board directly by the Member or delivered to the Recipient or the Operating JPA for transmission to the State Water Board in connection with the Recipient's application for financial assistance as of the date(s) set forth in such financial statements: (a) are materially complete and correct; (b) present fairly the financial condition of the Member; and (c) have been prepared in accordance with GAAP. Since the date(s) of such financial statements, there has been no material adverse change in the financial condition of the Member, nor have any assets or properties reflected on such financial statements been sold, transferred, assigned, mortgaged, pledged or encumbered, except as previously disclosed in writing by the Member and approved in writing by the State Water Board.

The Member is current in its continuing disclosure obligations associated with its material debt, if any.

D.1.5.8 Member Obligations

The Member has no Member Obligations other than those disclosed to the Recipient and the State Water Board in connection with the Recipient's application for financial assistance.

D.1.5.9 No Other Material Obligations.

The Member has no Member Material Obligations other than those disclosed to the Recipient and the State Water Board in connection with the Recipient's application for financial assistance.

D.1.5.10 Compliance with State Water Board Funding Agreements.

The Member represents that it is in compliance with all State Water Board funding agreements to which it is a party.

D.1.6 Remedies

Each Payment Agreement must provide that, for every remedy for enforcement of this Agreement against the Recipient or the Operating JPA available to the State Water Board under this Agreement or at law, the same must be available against the Member for enforcement of the Payment Agreement. This must include all rights to return of funds, acceleration of principal, and payment of penalty interest and Additional Payments described in Section C.2.1; all applicable administrative and judicial remedies described in Section C.2.3 and C.2.4; termination and payment of penalty interest as described in Section C.2.5; the Member's acceptance of paying its Allocated Share of any damages for breach of tax-exempt status or breach of federal conditions as described in Section C.2.6 and C.2.7, regardless of whether the breach leading to such damages was caused by the Member; and all other remedies provided for under the Agreement. Each Payment Agreement must contain non-exclusive remedies, limitations, non-waiver, and status quo clauses substantially equivalent to those found in Sections C.2.8, C.2.9, and C.2.10 of this Agreement to the satisfaction of the State Water Board's counsel.

D.1.7 Other Standard Conditions

Each Payment Agreement must require the Member to agree to the following standard conditions:

D.1.7.1 Assignability

The Payment Agreement must not be assignable by the Member, either in whole or in part, without the consent of the State Water Board in the form of a formal written amendment to this Agreement.

D.1.7.2 Audit

In connection with the Division's right to call for an audit of financial information relative to the Project as provided in Section C.3.5 of the Agreement, the Member must agree to cooperate fully with any such audit.

D.1.7.3 Operation and Maintenance; Insurance.

The Member must agree to sufficiently and properly staff, operate and maintain all portions of its Member System during the Useful Life of the Project in accordance with all applicable state and federal laws, rules, and regulations.

The Member must agree to procure and maintain or cause to be maintained insurance on its Member System with responsible insurers, or as part of a reasonable system of self-insurance, in such amounts and against such risks (including damage to or destruction of its Member System) as are usually covered in connection with systems similar to its Member System. Such insurance may be maintained by a self-insurance plan so long as such plan provides for (i) the establishment by the Member of a separate segregated self-insurance fund in an amount determined (initially and on at least an annual basis) by an independent insurance consultant experienced in the field of risk management employing accepted actuarial techniques and (ii) the establishment and maintenance of a claims processing and risk management program.

In the event of any damage to or destruction of the Member System caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Member System. The Member must begin such reconstruction, repair or replacement as expeditiously as possible, and must pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same must be completed and the Member System must be free and clear of all claims and liens. If such net proceeds are insufficient to reconstruct, repair, or restore the Member System to the extent necessary to enable the Member to pay all remaining unpaid principal portions of its Allocated Share of the Payments, if any, in accordance with the terms of the Agreement and the Payment Agreement, the Member must provide additional funds to restore or replace the damaged portions of the Member System.

The Member must agree that for any policy of insurance concerning or covering the construction of the Project, it will cause, and will require its contractors and subcontractors to cause, a certificate of insurance to be issued showing the State Water Board, its officers, agents, employees, and servants as additional insured; and must provide the Division with a copy of all such certificates prior to the commencement of construction of the Project.

D.1.8 Notice

Each Payment Agreement must require the Member to provide notice within the required timeframes of the following events to both the Recipient and the State Water Board:

- (a) Within 24 hours, the Member must notify the Recipient and the Division of the seizure of, or levy on, any Member Revenues securing the Member Payment Obligation.
- (b) As soon as practicable but not later than five (5) business days after the following, the Member must notify the Recipient and the Division of the occurrence of any of the following events:
 - i. Bankruptcy, insolvency, receivership or similar event of the Member, or actions taken in anticipation of any of the foregoing;
 - ii. Change of ownership of the Member System or change of management or service contracts, if any, for operation of the Member System;

- iii. Loss, theft, damage, or impairment to the Member System or the Member Revenues;
- iv. The Member's failure to meet any debt service coverage test in Exhibit D of the Agreement;
- v. Following establishment and full funding of the Reserve Fund, any request by the Recipient for any additional Reserve Fund Contribution resulting from a deficiency of the Reserve Fund or reflecting financial difficulties of the Recipient or any Member;
- vi. Listed Events and events of default under the Payment Agreement, except as otherwise set forth in this section;
- vii. Failure to observe or perform any covenant or comply with any condition in the Payment Agreement;
- viii. An offer from a public entity to purchase the Member System or any portion thereof, or the Member's ownership interest in the Project or the Joint System;
- ix. A proceeding or action by a public entity to acquire the Member System or any portion thereof, or the Member's ownership interest in the Project or the Joint System, by the power of eminent domain;
- x. Incurrence of a Member Obligation by the Member; or
- xi. A default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Member Obligation, any of which reflect financial difficulties.

(c) As soon as practicable but not later than ten (10) business days, the Member must notify the Recipient and the Division of the following events:

- i. Material defaults on any Member Material Obligation, other than the Member Payment Obligation;
- ii. Unscheduled draws by the Member on material debt service reserves or credit enhancements, reflecting financial difficulties;
- iii. Substitution of credit or liquidity providers, if any or their failure to perform;
- iv. Any litigation pending or threatened with respect to the Project, the Member's technical, managerial or financial capacity to operate the Member System, the continued existence of the Member, or any judgment or court order relating to such litigation that has a significant effect on the Project or the Member System;
- v. Circulation of a petition to repeal, reduce, or otherwise challenge the Member's rates for services of the Member System;
- vi. Consideration of dissolution, or disincorporation, or any other event that could materially impair the Member Revenues;
- vii. Adverse tax opinions, the issuance by the Internal Revenue Service or proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of any tax-exempt bonds of the Member;
- viii. Rating changes on outstanding Member Obligations, if any;
- ix. Enforcement actions by or brought on behalf of the State Water Board or Regional Water Board against any the Member; or
- x. Any investigation by the District Attorney, California State Auditor, Bureau of State Audits, USEPA's Office of Inspector General, the Internal Revenue Service, Securities and Exchange Commission, a grand jury, or any other state or federal agency, relating to the financial management, accounting procedures, or internal fiscal controls of any Project Party;

- (d) The Member must notify the Division promptly of any of the following events:
- i. The discovery of a false statement of fact or representation made in this Payment Agreement or in the application to the Division for financial assistance, or in any certification, report, or request for reimbursement made pursuant to the Agreement, by the Member or its employees, agents, or contractors, or by the Recipient or Operating JPA relating to the Member;

- ii. Consideration of any amendment to the Payment Agreement, Operating JPA Agreement, or PFA Agreement which may have a material impact on the ability of the Member to meet any obligation or perform any covenant under the Payment Agreement;
- iii. Direct payment of a Project Bond Payment by the Member to a trustee or holder of Project Bonds. The notice of such a payment shall include the identity of the trustee or holder of Project Bonds to which the payment was made, identification of the Project Bond for which the payment was made, the date, amount, and medium of the payment, and a certification of the Member Authorized Representative that the Project Bond Payment represents Revenues of the Recipient within the meaning of this Agreement and is subject to the lien and pledge of the Revenues established in this Agreement; or
- iv. Any events requiring notice to the Division pursuant to the provisions of the Payment Agreement;

Notices to the Division required under this section must be given by phone at (916) 276-9978, by email to [PM email address and senior email address] and CleanWaterSRF@waterboards.ca.gov, and by mail to the contact address set forth in Section 4 of this Agreement. Emailed notices must reference the Recipient, the Agreement contract number ([insert]), and the Project Number 8768-110. Notices to the Recipient required under this section may be accomplished by any method the Recipient and the Member may agree upon; provided, however that the method and timing of such notice must be reasonably calculated to allow the Recipient to timely pass on such notice to the Division to fulfill its notice obligations under the Agreement.

D.1.9 Right of the State Water Board to Enforce the Payment Agreements

In each Payment Agreement, the Member shall acknowledge its intention that Member Payments required and the security provided under the Payment Agreement are intended for the benefit of the State Water Board, to repay the Obligation of the Recipient incurred under this Agreement. The State Water Board shall be named as a third party beneficiary to each Payment Agreement, and shall be entitled to take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Recipient and Operating JPA or separately, all of the rights of the Recipient and all of the obligations thereto of the Members under the Payment Agreements. The State Water Board may pursue all remedies provided to it in this Agreement or otherwise available at law or in equity to enforce its interest in the Payment Agreements.

D.1.10 No Amendment to the Payment Agreements Without Consent.

Each Payment Agreement must contain a term providing that the Payment Agreement may not be amended in any way that may have a material impact on the ability of the Member to meet its Member Payment Obligation or meet any other covenant required of it by this Agreement without the express written consent of the Division. The Division shall have sole discretion to grant or refuse consent to such proposed amendments and may condition its consent on the execution of an amendment to this Agreement.

D.1.11 Rule of Construction.

The requirements of this Section D.1 are in addition to any requirements imposed on the Payment Agreements elsewhere in this Agreement. If any term in this Section shall be found to be inconsistent with any requirement established elsewhere in this Agreement, each term shall be held as applicable to the greatest extent possible. If any term in this Section shall be found to be in conflict with any requirement established elsewhere in this Agreement, the term given in this Exhibit D shall control.

D.1.12 Supplemental Financial Information of Las Virgenes Municipal Water District

Las Virgenes Municipal Water District shall submit audited financial reports to the Division on an annual basis, by December 31 of each year, until the Records Retention End Date. Beginning with the audited financial reports for the Fiscal Year ending June 30, 2027, the audited financial reports must include, either in the body of the report or in a supplemental statement, an itemization that shows the amount of each line item in Las Virgenes Municipal Water District's statements of (i) cash flows and (ii) revenues, expenses, and changes in net position, that is attributed to the Las Virgenes Potable Water Enterprise, the Las Virgenes Recycled Water System, and the Las Virgenes Wastewater System, respectively. In connection with the delivery of the audited financial reports, Las Virgenes Municipal Water District shall deliver a certificate to the Division which shall include a calculation based on the information provided in such audited financial reports which demonstrates to the Division's satisfaction whether revenues attributable to each Las Virgenes Subsystem were sufficient to pay the Member Operations and Maintenance Costs and the Debt Service on Member Obligations attributable to such Las Virgenes Subsystem in the relevant fiscal year. If such calculation demonstrates that revenues attributable to a Las Virgenes Subsystem were insufficient to pay the Member Operations and Maintenance Costs and the Debt Service on Member Obligations attributable to such Las Virgenes Subsystem (this determination, an "Adverse Determination"), within sixty (60) days of providing such calculation, Las Virgenes Municipal Water District must prepare and deliver to the Division a document which (x) details the anticipated Member Revenues, Member Operations and Maintenance Costs, and Debt Service payments attributable to the Las Virgenes Subsystem which was the subject of the Adverse Determination for the subsequent three fiscal years, (y) demonstrates Las Virgenes Municipal Water District's ability to make all Debt Service payments on all of its Member Obligations and pay all Member Operations and Maintenance Costs during the subsequent three fiscal years, and (z) details the corrective actions Las Virgenes Municipal Water District intends to undertake to ensure the fiscal sustainability of each of the Las Virgenes Subsystems, if any, including if necessary any plans to raise rates and charges. This document must be satisfactory to the Division.

D.2 Other Special Conditions

D.2.1 No Change to Allocated Share

The Allocated Share of each Member may not be modified without the express written consent of the Division, and no modification of the Allocated Shares shall become effective until the execution of an amendment to this Agreement reflecting such modification.

D.2.2 No Amendment to Incorporated Documents

The Recipient and Operating JPA agree that they shall not amend any document incorporated into this Agreement by Exhibit or by reference in any way that may have a material impact on the ability of the Member to meet its Member Payment Obligation or meet any other covenant required of it by this Agreement without the express written consent of the Division. The Division shall have sole discretion to grant or refuse consent to such proposed amendments and may condition its consent on the execution of an amendment to this Agreement.

[environmental]

D.3 Executive Order N-6-22 — Russian Sanctions.

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State Water Board determine Recipient is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State Water Board shall provide Recipient advance written notice of such termination, allowing Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State Water Board.

The Recipient represents that the Recipient is not a target of economic sanctions imposed in response to Russia's actions in Ukraine imposed by the United States government or the State of California. The Recipient is required to comply with the economic sanctions imposed in response to Russia's actions in Ukraine, including with respect to, but not limited to, the federal executive orders identified in California Executive Order N-6-22, located at <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf> and the sanctions identified on the United States Department of the Treasury website (<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions>). The Recipient is required to comply with all applicable reporting requirements regarding compliance with the economic sanctions, including, but not limited to, those reporting requirements set forth in California Executive Order N-6-22 for all Recipients with one or more agreements with the State of California with an aggregated value of Five Million Dollars (\$5,000,000) or more. Notwithstanding any other provision in this Agreement, failure to comply with the economic sanctions and all applicable reporting requirements may result in termination of this Agreement.

For Recipients with an aggregated agreement value of Five Million Dollars (\$5,000,000) or more with the State of California, reporting requirements include, but are not limited to, information related to steps taken in response to Russia's actions in Ukraine, including but not limited to:

1. Desisting from making any new investments or engaging in financial transactions with Russian institutions or companies that are headquartered or have their principal place of business in Russia;
2. Not transferring technology to Russia or companies that are headquartered or have their principal place of business in Russia; and
3. Direct support to the government and people of Ukraine.

EXHIBIT E – PAYMENT SCHEDULE

See the attached preliminary Payment Schedule, which may be updated as discussed in Exhibit B. The final Payment Schedule will be forwarded to the Recipient after all disbursements have been paid and construction of the Project has been completed.

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EXHIBIT F – TAX CERTIFICATE

F.1 Purpose.

The purpose of this Exhibit F is to establish the reasonable expectations of the Recipient and the Operating JPA regarding the Project and the Project Funds, and is intended to be and may be relied upon for purposes of Sections 103, 141 and 148 of the Code and as a certification described in Section 1.148-2(b)(2) of the Treasury Regulations. This Exhibit F sets forth certain facts, estimates and circumstances which form the basis for the expectation of the Recipient and the Operating JPA that neither the Project nor the Bond Funded Portion of the Project Funds is to be used in a manner that would cause the Obligation to be classified as “arbitrage bonds” under Section 148 of the Code or “private activity bonds” under Section 141 of the Code.

F.2 Tax Covenant.

The Recipient and the Operating JPA agree that they will not take or authorize any action or permit any action within its reasonable control to be taken, or fail to take any action within its reasonable control, with respect to the Project which would result in the loss of the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Code.

F.3 Governmental Unit.

The Recipient and the Operating JPA are each a state or local governmental unit as defined in Section 1.103-1 of the Treasury Regulations or an instrumentality thereof (a “Governmental Unit”) and neither is the federal government or any agency or instrumentality thereof.

F.4 Financing of a Capital Project.

The Recipient and the Operating JPA will use the Project Funds to finance capital expenditures they have incurred or will incur for the construction, reconstruction, installation or acquisition of the Project in accordance with the terms of this Agreement. Such expenditures shall not have previously been financed with the proceeds of any other issue of indebtedness except for interim financing by the Recipient, the date of maturity, prepayment or redemption of which is within thirty (30) days of the date of disbursement of Project Funds under this Agreement. All Project Funds shall be allocated to expenditures by the Recipient within thirty (30) days of the date of disbursement, including (if at all) Project Funds allocated to repay interim financing of the Recipient. For purposes of this Section F.4, “interim financing” means notes, commercial paper, loans, lines of credit and other forms of short-term borrowing.

F.5 Ownership and Operation of Project.

The Operating JPA exclusively owns and, except as provided in Section F.12 hereof, operates the Project.

F.6 Temporary Period.

The Recipient and Operating JPA reasonably expect that at least eighty-five percent (85%) of the Bond Funded Portion of the Project Funds will be allocated to expenditures for the Project within three (3) years of the earlier of the effective date of this Agreement or the date the Bonds are issued (“Applicable Date”). The Recipient or Operating JPA has incurred, or reasonably expects that it will incur within six (6) months of the Applicable Date, a substantial binding obligation (i.e., not subject to contingencies within the control of the Recipient or a related party) to a third party to expend at least five percent (5%) of the Bond Funded Portion of the Project Funds on Project Costs. The completion of acquisition, construction,

improvement and equipping of the Project and the allocation of the Bond Funded Portion of the Project Funds to Project Costs will proceed with due diligence.

F.7 Working Capital.

No operational expenditures of the Recipient or Operating JPA or any related entity are being, have been or will be financed or refinanced with Project Funds.

F.8 Expenditure of Proceeds.

The Bond Funded Portion of the Project Funds shall be used exclusively for the following purposes: (i) Reimbursement Expenditures (as defined in Section F.20 below), (ii) Preliminary Expenditures (as defined in Section F.20 below) in an aggregate amount not exceeding twenty percent (20%) of the Bond Funded Portion of the Project Funds, (iii) capital expenditures relating to the Project originally paid by the Recipient on or after the date hereof, (iv) interest on the Obligation through the later of three (3) years after the Applicable Date or one (1) year after the Project is placed in service, and (v) initial operating expenses directly associated with the Project in the aggregate amount not more than five percent (5%) of the Bond Funded Portion of the Project Funds.

F.9 Private Use and Private Payments.

No portion of the Project Funds or the Project is being, has been or will be used in the aggregate for any activities that constitute a Private Use (as defined below). No portion of the principal of or interest with respect to the Payments will be secured by any interest in property (whether or not the Project) used for a Private Use or in payments in respect of property used for a Private Use, or will be derived from payments in respect of property used for a Private Use. "Private Use" means any activity that constitutes a trade or business that is carried on by persons or entities, other than a Governmental Unit. The leasing of the Project or the access by or the use of the Project by a person or entity other than a Governmental Unit on a basis other than as a member of the general public shall constitute a Private Use. Use by or on behalf of the State of California or any of its agencies, instrumentalities or subdivisions or by any local Governmental Unit and use as a member of the general public will be disregarded in determining whether a Private Use exists. Use under an arrangement that conveys priority rights or other preferential benefits is generally not use on the same basis as the general public. Arrangements providing for use that is available to the general public at no charge or on the basis of rates that are generally applicable and uniformly applied do not convey priority rights or other preferential benefits. For this purpose, rates may be treated as generally applicable and uniformly applied even if (i) different rates apply to different classes of users, such as volume purchasers, if the differences in rates are customary and reasonable; or (ii) a specially negotiated rate arrangement is entered into, but only if the user is prohibited by federal law from paying the generally applicable rates, and the rates established are as comparable as reasonably possible to the generally applicable rates. An arrangement that does not otherwise convey priority rights or other preferential benefits is not treated, nevertheless, as general public use if the term of the use under the arrangement, including all renewal options, is greater than 200 days. For this purpose, a right of first refusal to renew use under the arrangement is not treated as a renewal option if (i) the compensation for the use under the arrangement is redetermined at generally applicable, fair market value rates that are in effect at the time of renewal; and (ii) the use of the financed property under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business.

F.10 No Sale, Lease or Private Operation of the Project.

The Project (or any portion thereof) will not be sold or otherwise disposed of, in whole or in part, to any person who is not a Governmental Unit prior to the final maturity date of the Obligation. The Project will not be leased to any person or entity that is not a Governmental Unit prior to the final maturity date of the Obligation. Except as permitted under Section F.12 hereof, the Recipient and Operating JPA will not

enter any contract or arrangement or cause or permit any contract or arrangement to be entered with persons or entities that are not Governmental Units if that contract or arrangement would confer on such persons or entities any right to use the Project on a basis different from the right of members of the general public. The contracts or arrangements contemplated by the preceding sentence include but are not limited to management contracts, take or pay contracts or put or pay contracts, and capacity guarantee contracts.

F.11 No Disproportionate or Unrelated Use.

No portion of the Project Funds or the Project is being, has been, or will be used for a Private Use that is unrelated or disproportionate to the governmental use of the Project Funds.

F.12 Management and Service Contracts.

The Recipient and Operating JPA each represent that, as of the date hereof, it is not a party to any contract, agreement or other arrangement with any persons or entities engaged in a trade or business (other than Governmental Units) that involve the management or operation of property or the provision of services at or with respect to the Project that does not comply with the standards of the Treasury Regulations, or Revenue Procedure 2017-13, as applicable. The Recipient and Operating JPA each represent that it will not be party to any such contract, agreement or arrangement with any person or entity that is not a Governmental Unit for the management of property or the provision of services at or with respect to the Project, while the Obligation (including any obligation or series thereof issued to refund the Obligation, as the case may be) is outstanding, except: (a) with respect to any contract, agreement or arrangement that does not constitute "private business use" of the Project under Code §141(b), or (b) with respect to any contract, agreement or arrangement that complies with (i) Revenue Procedure 97-13, 1997-1 C.B. 632, as amended by Revenue Procedure 2001-39, 2001-2 C.B. 38, and as amplified by Notice 2014-67, with respect to contracts entered into before August 18, 2017 and not materially modified or extended after August 18, 2017, or (ii) Revenue Procedure 2017-13, with respect to contracts entered into or materially modified or extended on or after August 18, 2017, or (c) with respect to any contract, agreement or arrangement that does not give rise to use of the Bond Funded Portion of the Project Funds or the Project by a non-Governmental Unit of more than the amount of such non-qualified use permitted by the Code, or (d) in the event that the Recipient or Operating JPA receives an opinion of counsel, satisfactory to the State Water Board and the Bank and expert in the issuance of state and local government bonds the interest on which is excluded from gross income under Section 103 of the Code ("Nationally-Recognized Bond Counsel"), that such contract, agreement or arrangement will not adversely affect the exclusion of the interest on the Obligation from gross income for federal income taxation purposes.

F.13 No Disposition of Financed Property.

As of the date hereof, the Recipient and Operating JPA do not expect to sell or otherwise dispose of any portion of the Project, in whole or in part, prior to the final maturity date of the Obligation.

F.14 Useful Life of Project.

As of the date hereof, the Recipient and Operating JPA reasonably expect that the economic useful life of the Project, commencing at Project Completion, will be at least equal to the term of this Agreement, as set forth in Exhibit A hereto.

F.15 Payments.

Payments generally are expected to be derived from assessments, taxes, fees, charges or other current Revenues of the Recipient in each year, and such current Revenues are expected to equal or exceed the Payments during each payment period. Any amounts accumulated in a sinking fund or bona fide debt

service fund to pay Payments (whether or not deposited to a fund or account established by the Recipient) will be disbursed to pay Payments within thirteen months of the initial date of accumulation or deposit. Any such fund used for the payment of Payments will be depleted once a year except for a reasonable carryover amount not exceeding the greater of earnings on such fund or one-twelfth of the Payments in either case for the immediately preceding year.

F.16 No Other Replacement Proceeds.

The Recipient and the Operating JPA will not use any of the Bond Funded Portion of the Project Funds to replace or substitute other funds of the Recipient or Operating JPA that were otherwise to be used to finance the Project or which are or will be used to acquire securities, obligations or other investment property reasonably expected to produce a yield that is materially higher than the yield on the Bonds.

F.17 No Sinking or Pledged Fund.

Except as set forth in Section F.18 below, the Recipient will not create or establish any sinking fund or pledged fund which will be used to pay Payments on the Obligation within the meaning of Section 1.148-1(c) of the Treasury Regulations. If any sinking fund or pledged fund comes into being with respect to the Obligation before the Obligation has been fully retired which may be used to pay the Payments, the Recipient will invest such sinking fund and pledged fund moneys at a yield that does not exceed the yield on the Bonds.

F.18 Reserve Amount.

The State Water Board requires that the Recipient maintain and fund a separate account in an amount equal to one (1) year of debt service with respect to the Obligation (the "Reserve Amount") as set forth in Exhibit B. The Recipient represents that the Reserve Amount is and will be available to pay debt service with respect to the Obligation, if and when needed. The Reserve Amount consists solely of revenues of the Recipient and does not include any proceeds of any obligations the interest on which is excluded from gross income for federal income tax purposes or investment earnings thereon. The aggregate of the Reserve Amount, up to an amount not exceeding the lesser of (i) ten percent of the aggregate principal amount of the Obligation, (ii) the maximum annual debt service with respect to the Obligation, or (iii) 125 percent of the average annual debt service with respect to the Obligation, will be treated as a reasonably required reserve fund.

F.19 Reimbursement Resolution.

The "reimbursement resolution" adopted by the Recipient and the Operating JPA is incorporated herein by reference.

F.20 Reimbursement Expenditures.

Reimbursements are disallowed, except as specifically authorized in Exhibit B or Exhibit D of this Agreement. To the extent so authorized, a portion of the Bond Funded Portion of the Project Funds may be applied to reimburse the Recipient and Operating JPA for Project Costs paid before the date hereof, so long as the Project Cost was (i) not paid prior to sixty (60) days before the adoption by the Recipient and Operating JPA of a declaration of official intent to finance the Project, (ii) not paid more than eighteen (18) months prior to the date hereof or the date the Project was placed-in-service, whichever is later, and (iii) not paid more than three (3) years prior to the date hereof (collectively, "Reimbursement Expenditures"), unless such cost is attributable to a "preliminary expenditure." Preliminary expenditure for this purpose means architectural, engineering, surveying, soil testing and similar costs incurred prior to the commencement of construction or rehabilitation of the Project, but does not include land acquisition, site preparation and similar costs incident to the commencement of acquisition, construction or

rehabilitation of the Project. Preliminary expenditures may not exceed 20% of the Bond Funded Portion of the Project Funds.

F.21 Change in Use of the Project.

The Recipient and Operating JPA reasonably expect to use all of the Bond Funded Portion of the Project Funds and the Project for the entire stated term to maturity of the Obligation. Absent an opinion of Nationally-Recognized Bond Counsel to the effect that such use of the Bond Funded Portion of the Project Funds will not adversely affect the exclusion from federal gross income of interest on the Bonds pursuant to Section 103 of the Code, the Recipient will use the Bond Funded Portion of the Project Funds and the Project solely as set forth in this Agreement.

F.22 Rebate Obligations.

If the Recipient and Operating JPA satisfy the requirements of one of the spending exceptions to rebate specified in Section 1.148-7 of the Treasury Regulations, amounts earned from investments, if any, acquired with the Bond Funded Portion of the Project Funds will not be subject to the rebate requirements imposed under Section 148(f) of the Code. If the Recipient or Operating JPA fail to satisfy such requirements for any period, they will notify the State Water Board and the Bank immediately and will comply with the provisions of the Code and the Treasury Regulations at such time, including the payment of any rebate amount calculated by the State Water Board or the Bank.

F.23 No Federal Guarantee.

The Recipient and Operating JPA will not directly or indirectly use any of the Bond Funded Portion of the Project Funds in any manner that would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code, taking into account various exceptions including any guarantee related to investments during an initial temporary period until needed for the governmental purpose of the Bonds, investments as part of a bona fide debt service fund, investments of a reasonably required reserve or replacement fund, investments in bonds issued by the United States Treasury, investments in refunding escrow funds or certain other investments permitted under the Treasury Regulations.

F.24 Amendments.

The provisions in this Exhibit may be amended, modified or supplemented at any time to reflect changes in the Code upon obtaining written approval of the State Water Board and the Bank and an opinion of Nationally-Recognized Bond Counsel to the effect that such amendment, modification or supplement will not adversely affect the exclusion from federal gross income of interest on the Bonds pursuant to Section 103 of the Code.

F.25 Reasonable Expectations.

The Recipient and Operating JPA each warrant that, to the best of its knowledge, information and belief, and based on the facts and estimates as set forth in the tax covenants in this Exhibit, the expectations of the Recipient and the Operating JPA as set forth in this Exhibit are reasonable. The Recipient and Operating JPA are not aware of any facts or circumstances that would cause it to question the accuracy or reasonableness of any representation made in the provisions in this Exhibit.

F.26 Assignment.

The Recipient and Operating JPA consent to any pledge, sale, or assignment to the Bank or a trustee for the benefit of the owners of the Bonds, if any, at any time of any portion of the State Water Board's estate, right, title, and interest and claim in, to and under this Agreement and the right to make all related waivers and agreements in the name and on behalf of the State Water Board, as agent and attorney-in-

fact, and to perform all other related acts which are necessary and appropriate under this Agreement, if any, and the State Water Board's estate, right, title, and interest and claim in, to and under this Agreement to Payments (but excluding the State Water Board's rights to Additional Payments and to notices, opinions and indemnification under each Obligation).

DRAFT

DATE: April 6, 2026
TO: JPA Board of Directors
FROM: Finance and Administration

SUBJECT: Pure Water Project Las Virgenes-Triunfo: Authorization of Construction Loan and Grant Agreement with State Water Resources Control Board

This item is before the Las Virgenes-Triunfo Public Financing Authority Board for action.

SUMMARY:

The Las Virgenes Municipal Water District (LVMWD) and Triunfo Water and Sanitation District (TWSD) are participating in the Pure Water Project Las Virgenes-Triunfo (Project) through the Las Virgenes-Triunfo Joint Powers Authority (Operating JPA). In connection with the financing of the Project, Las Virgenes Municipal Water District (LVMWD) and Triunfo Water and Sanitation District (TWSD) created the Las Virgenes-Triunfo Public Financing Authority (Financing JPA).

The Financing JPA and the Operating JPA submitted an application to the State Water Resources Control Board (SWRCB) for a loan and grant funding through the SWRCB's Clean Water State Revolving Fund (SRF) Program. The SWRCB has approved an SRF loan for the Project, in an amount up to \$69,240,000, and grant funding, in the amount of \$15,000,000.

Staff recommends that the Board pass, approve and adopt proposed Resolution No. 6, authorizing the execution and delivery of a Loan and Grant Agreement with the SWRCB, ratifying the prior approval of the Payment Agreements and authorizing their execution for the Pure Water Project Las Virgenes-Triunfo. The target closing date for the loan is June 30, 2025.

RECOMMENDATION(S):

Pass, approve and adopt proposed Resolution No. 6, authorizing the execution and delivery of a Loan and Grant Agreement with the State Water Resources Control Board, ratifying the prior approval of the Payment Agreements and authorizing their execution.

RESOLUTION NO. 6

**A RESOLUTION OF LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY
AUTHORIZING THE EXECUTION AND DELIVERY OF A CONSTRUCTION LOAN AND
GRANT AGREEMENT AMONG LAS VIRGENES-TRIUNFO PUBLIC FINANCING
AUTHORITY, LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY AND CALIFORNIA**

STATE WATER RESOURCES CONTROL BOARD AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH

(Reference is hereby made to Resolution No. 6 on file in the Authority's Resolution Book, and by this reference the same is incorporated herein.)

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

By approving the transaction, the Financing JPA will be authorized to enter into the Loan and Grant Agreement, which would allow for draws in an amount not to exceed \$85,000,000, representing both the loan and grant components.

Amounts drawn under the loan portion of the Loan and Grant Agreement will bear interest at a fixed rate determined on the date of closing of the Loan and Grant Agreement. Generally, the interest rate for SRF financing agreements is fifty percent (50%) of the most recent interest rate paid by the State on general obligation bonds issued by the State Treasurer's Office. The rate is expected to be approximately 2.2%, and the term of the SRF Loan is expected to be approximately 30 years.

Under the Payment Agreements, LVMWD and TWSD will be responsible for their allocated shares of the payments under the Loan and Grant Agreement.

DISCUSSION:

On February 6, 2023, the JPA Board approved Resolution No. 26, authorizing an application for a low-interest loan from the California SRF Program. The JPA has since received a notice of award from the SWCRB for \$69.2 million from the SRF Program, in addition to state grants totaling \$15 million.

The proposed Loan and Grant Agreement among the Financing JPA, Operating JPA and SWRCB sets forth the terms of the SRF financing and certain covenants and obligations of the parties.

The Project financing team, consisting of LVMWD, TWSD, PFM Financial Advisors LLC (PFM) and Stradling Yocca Carlson & Rauth LLP, have been in negotiations with the SWRCB for several months to finalize the terms of the Loan and Grant Agreement by and among the Financing JPA, the Operating JPA and the SWRCB.

In connection with the SRF financing, the Financing JPA, Operating JPA and SWRCB will enter into the Loan and Grant Agreement. The amounts owed by the Financing JPA and the Operating JPA under the Loan and Grant Agreement will be payable from amounts paid directly to the Financing JPA by LVMWD and TWSD under separate Payment Agreements between the applicable district, the Financing JPA and the Operating JPA. Under each

Payment Agreement, the applicable district will agree to pay a share of the debt service payable under the Loan and Grant Agreement. The share of debt service allocable to LVMWD is 70.60%, and the share of debt service allocable to TWSD is 29.40%.

GOALS:

Ensure Effective Utilization of the Public's Assets and Money

Prepared by: Brian Richie, Director of Finance and Technology

ATTACHMENTS:

[Proposed Resolution No. 6](#)

[Form of SRF Loan and Grant Agreement](#)

RESOLUTION NO. 6

A RESOLUTION OF LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A CONSTRUCTION LOAN AND GRANT AGREEMENT AMONG LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY, LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY AND CALIFORNIA STATE WATER RESOURCES CONTROL BOARD AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH

WHEREAS, the Las Virgenes Municipal Water District, a municipal water district that is duly organized and existing under the Municipal Water District Act (Water Code Section 71000 et seq. of the State of California) (the “LVMWD”), and Triunfo Water & Sanitation District, a county sanitation district that is duly organized and existing under the County Sanitation District Act (Health & Safety Code Section 4700 et seq. of the State of California) (“TWSD” and, together with LVMWD, the “Project Participants”), are members of the Las Virgenes-Triunfo Joint Powers Authority, a joint exercise of powers agency relating to joint facilities of Las Virgenes Municipal Water District and Triunfo Water & Sanitation District (the “Operating JPA”), and jointly operate certain facilities through the Operating JPA; and

WHEREAS, the Project Participants and the Operating JPA desire to finance the design and construction of the Pure Water Project, which will be owned and operated by the Operating JPA and will consist of an advanced water purification facility to treat effluent from the Operating JPA’s Tapia Water Reclamation Facility for potable use (the “Project”); and

WHEREAS, the Las Virgenes-Triunfo Public Financing Authority, a joint exercise of powers agency that is duly organized and existing under and by virtue of the laws of the State of California (the “Financing JPA”), has been requested to assist the Project Participants and the Operating JPA in connection with the acquisition of the Project; and

WHEREAS, the Financing JPA and the Operating JPA have determined that it is in the best interest of the Financing JPA, the Operating JPA and the Project Participants to enter into a Construction Loan and Grant Agreement (the “Construction Loan and Grant Agreement”) with the California State Water Resources Control Board for the purpose of funding a portion of the Project; and

WHEREAS, the governing bodies of each of the Operating JPA and Financing JPA have previously approved the execution and delivery of separate payment agreements with each of the Project Participants (each, a “Payment Agreement”), pursuant to which each Project Participant has agreed to pay their allocated share of debt service relating to the financing of the Project, which would include the Project Participant’s allocated share of the Obligations (as such term is defined in the Construction Loan and Grant Agreement); and

WHEREAS, the Financing JPA is authorized under the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Bond Law”) and Section 10 of the Joint Exercise of Powers Agreement dated as of

September 1, 2023, between LVMWD and TWSD, to enter into the Construction Loan and Grant Agreement and to pledge amounts received under the Payment Agreements to secure the Construction Loan and Grant Agreement; and

WHEREAS, in accordance with California Government Code Section 5852.1, the Financing JPA has obtained and wishes to disclose the information set forth in Exhibit A.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LAS VIRGENES – TRIUNFO PUBLIC FINANCING AUTHORITY AS FOLLOWS:

SECTION 1. Approval of Recitals. The Financing JPA hereby finds and determines that the foregoing recitals are true and correct.

SECTION 2. Authorization of the Construction Loan and Grant Agreement. The Construction Loan and Grant Agreement is hereby approved substantially in the form on file with the Secretary. Each of the Chair or Vice Chair of the Board, the Executive Director, Treasurer or Deputy Treasurer of the Financing JPA or the designee thereof (each, an “Authorized Officer”), acting alone, is hereby authorized and directed to execute and deliver the Construction Loan and Grant Agreement with such changes, insertions and omissions as may be recommended by the Financing JPA’s General Counsel or Stradling Yocca Carlson & Rauth LLP, as bond counsel (“Bond Counsel”), and approved by the Authorized Officer executing the same, said execution being conclusive evidence of such approval; provided that the principal amount authorized to be drawn under the Construction Loan and Grant Agreement shall not exceed \$85,000,000.

SECTION 3. Other Actions. The Board hereby approves and authorizes the performance of each Payment Agreement by the Financing JPA. Each Authorized Officer, acting alone, is hereby authorized and directed to execute and deliver each Payment Agreement with such changes, insertions and omissions as may be recommended by the Financing JPA’s General Counsel or Bond Counsel, and approved by the officer or employee executing the same, said execution being conclusive evidence of such approval. The Authorized Officers, the Secretary or any other proper officer of the Financing JPA, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents, agreements, certificates and instruments or any amendments related to the foregoing and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Construction Loan and Grant Agreement and this Resolution, and any actions previously taken in connection with such matters, including but not limited to the prior approval of the Payment Agreements, is hereby ratified. In the event that the Chair and Vice Chair of the Board are unavailable to sign any of the agreements described herein, any other member of the Board or Authorized Officer may sign such agreement.

SECTION 4. Definitions. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given to such terms in the Construction Loan and Grant Agreement, unless the context otherwise clearly requires.

SECTION 5. Effective Date of Resolution. This Resolution shall take effect immediately.

PASSED, APPROVED, AND ADOPTED this 6th day of April, 2026.

Chair

ATTEST:

Vice Chair

APPROVED AS TO FORM:

W. Keith Lemieux, Agency Counsel

EXHIBIT A

GOOD FAITH ESTIMATES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

The good faith estimates set forth herein are provided with respect to the Construction Loan and Grant Agreement in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Las Virgenes-Triunfo Public Financing Authority by PFM Financial Advisors LLC.

- (A) True Interest Cost of the Construction Loan and Grant Agreement: 2.200%
- (B) Finance Charge of the Construction Loan and Grant Agreement (Sum of all fees/charges paid to third parties): \$105,000
- (C) Net Proceeds of the Construction Loan and Grant Agreement to be received (net of finance charges, reserves and capitalized interest, if any): \$84,240,000
- (D) Total Payment Amount through maturity of the Construction Loan and Grant Agreement: \$95,316,758

The foregoing constitute good faith estimates only. The principal amount of the Construction Loan and Grant Agreement, the true interest cost of the Construction Loan and Grant Agreement, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of the execution of the Construction Loan and Grant Agreement being different than the date assumed for purposes of such estimates; (b) the actual of principal amount of the Construction Loan and Grant Agreement being different from the estimated amount used for purposes of such estimates; (c) the actual amortization of the Construction Loan and Grant Agreement being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of execution of the Construction Loan and Grant Agreement being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the Financing JPA's financing plan, or a combination of such factors.

The actual date of execution of the Construction Loan and Grant Agreement and the principal amount of the Construction Loan and Grant Agreement will be determined by the Financing JPA based on a variety of factors. The actual interest rate borne by the Construction Loan and Grant Agreement will depend on market interest rates at the time of sale thereof. The actual amortization of Construction Loan and Grant Agreement will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Financing JPA.

DRAFT DATED: 3/6/2026



**CLEAN WATER
WATER RECYCLING FUNDING PROGRAM**

LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY

AND

CALIFORNIA STATE WATER RESOURCES CONTROL BOARD



CONSTRUCTION
LOAN AND GRANT

[PROJECT NO. and NAME]

AGREEMENT NO. []

PROJECT FUNDING AMOUNT: \$
TOTAL GRANT COMPONENT: \$15,000,000.00
PROPOSITION 4 GRANT COMPONENT: \$13,619,226.00
GENERAL FUND GRANT COMPONENT: \$1,380,774.00
ESTIMATED REASONABLE PROJECT COST: \$

ELIGIBLE WORK START DATE: _____
ELIGIBLE CONSTRUCTION START DATE: _____

COMPLETION OF CONSTRUCTION DATE: _____
PAYMENT START DATE : [one year from CC]
FINAL REIMBURSEMENT REQUEST DATE: _____
FINAL PAYMENT DATE: _____
RECORDS RETENTION END DATE: _____

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AGREEMENT

1. AUTHORITY.

(a) The State Water Resources Control Board (State Water Board) is authorized, and implements its authority, to provide financial assistance under this Agreement pursuant to Senate Bill 108 (Stats. 2024, Ch. 35), Item 3940-106-0001, Sections 13475 et seq. and 79765 et seq. of the Water Code, Sections 91000, 91010, and 91014 of the Public Resources Code, and Resolution Nos. 2019-0058, 2025-0013, 2025-0022, 2025-0024, and 2026-0002.

(b) The Recipient is authorized to enter into this Loan Agreement (Agreement) pursuant to [Authorized Rep] Resolution No. _____.

(c) The Operating JPA is authorized to enter into this Agreement pursuant to Resolution No. _____

2. INTENTION.

(a) The Operating JPA is a joint powers authority created by its Members, Las Virgenes Municipal Water District and Triunfo Water and Sanitation District, for the purpose of jointly operating certain facilities. The Operating JPA proposes to acquire, construct and operate the Project, which will include the Advanced Water Purification Facility. The Members and the Operating JPA intend to finance the acquisition and construction of the Project through the Recipient, a joint powers authority of which the Members are members, and with the proceeds of Project Bonds. It is the intention of the parties that the Operating JPA will construct, maintain, operate, and own the Project and cause the Members to pay their Member Payment Obligations and Project Bonds Payments to the Recipient pursuant to the Payment Agreements and to the Operating JPA pursuant to the Operating JPA Agreement.

(b) The Recipient and Operating JPA desire to receive financial assistance for and undertake work required for the recycled water construction Project according to the terms and conditions set forth in this Agreement.

(c) The State Water Board proposes to assist in providing financial assistance for eligible costs of the Project in the amount set forth in Exhibit B, according to the terms and conditions set forth in this Agreement, with the expectation that the Recipient shall repay a portion of the financial assistance to the State Water Board.

(d) The Recipient intends to evidence its obligation to submit Payments to the State Water Board and secure its obligation with its Revenues, as set forth in Exhibit B, according to the terms and conditions set forth in this Agreement.

(e) The Recipient intends to certify and evidence its compliance with the Tax Covenants set forth in Exhibit F.

3. AGREEMENT, TERM, DOCUMENTS INCORPORATED BY REFERENCE.

In consideration of the mutual representations, covenants and agreements herein set forth, the State Water Board, the Recipient, and the Operating JPA each binding itself, its successors and assigns, do mutually promise, covenant, and agree to the terms, provisions, and conditions of this Agreement.

(a) The State Water Board hereby makes a loan to the Recipient in accordance with the provisions of this Agreement, which constitutes a secured promissory note for repayment of the loan.

(b) Subject to the satisfaction of all conditions precedent to this Agreement, this Agreement shall become effective upon signature by all of: the Recipient, the Operating JPA and the State Water Board. Conditions precedent are not limited to the following:

- i. The Recipient and the Operating JPA must each deliver to the Division a resolution authorizing this Agreement, and must deliver resolutions of each of the Members authorizing the Payment Agreements.
- ii. The Recipient must deliver executed Payment Agreements with each of the Members in accordance with the requirements for the Payment Agreements detailed herein and satisfactory to the State Water Board's counsel, providing for the pledge of the Member Net Revenues of each Operating JPA Member to the payment of the Recipient's Obligation.
- iii. The Recipient must deliver an opinion of bond counsel and general counsel satisfactory to the State Water Board's counsel dated on or after the date that the Recipient signs this Agreement.
- iv. The Recipient must deliver opinions of general counsel and bond counsel to the Members satisfactory to the State Water Board's counsel dated on or after the execution date of the Payment Agreements.

(c) Upon execution, the term of the Agreement shall begin on the Eligible Work Start Date and extend through the Final Payment Date.

(d) This Agreement includes the following exhibits and attachments thereto:

- i. EXHIBIT A – SCOPE OF WORK
- ii. EXHIBIT B – FUNDING TERMS
- iii. EXHIBIT C – GENERAL & PROGRAMMATIC TERMS & CONDITIONS
- iv. EXHIBIT D – SPECIAL CONDITIONS
- v. EXHIBIT E – PAYMENT SCHEDULE
- vi. EXHIBIT F – TAX CERTIFICATE
- vii. EXHIBIT G—LAS VIRGENES PAYMENT AGREEMENT
- viii. EXHIBIT H—TRIUNFO PAYMENT AGREEMENT

(e) This Agreement includes the following documents incorporated by reference, as well as any documents incorporated by reference in Exhibit D:

- i. [if DFA has it] the Final Plans & Specifications, dated _____, which are the basis for the construction contract to be awarded by the Recipient, including any changes approved by the Division;
- ii. [if DFA doesn't have the final plans and specs] the Final Plans & Specifications, which are the basis for the construction contract to be awarded by the Recipient, including any changes approved by the Division;
- iii. the Waste Discharge Requirement Order No. _____(and/or National Pollutant Discharge Elimination System Permit No. _____), and any amendments thereto;
- iv. the Water Recycling Requirement Order No. _____, and any amendments thereto;
- v. the Recipient's Reimbursement Resolution No. _____dated _____;
- vi. the Recipient's Tax Questionnaire dated _____.
the federal Davis-Bacon requirements. By accepting this Agreement, the Recipient acknowledges and agrees to the terms and conditions provided in the [DBRA Requirements for EPA Subrecipients | US EPA](https://www.epa.gov/grants/dbra-requirements-epa-subrecipients) (<https://www.epa.gov/grants/dbra-requirements-epa-subrecipients>). The Recipient shall ensure that the following language is included in all contracts and subcontracts funded under this Agreement:

By accepting this contract, the contractor acknowledges and agrees to the terms and conditions provided in the [Contract Provisions for Davis-Bacon and Related Acts | US EPA \(https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts\)](https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts).

(For reference, see also https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/davisbacon.html.)

vii. [other incorporated documents, if any]

- (f) This Agreement, and any amendments hereto, may be executed and delivered in any number of counterparts, each of which when delivered shall be deemed to be an original, but such counterparts shall together constitute one document. The parties may sign this Agreement, and any amendments hereto, either by an electronic signature using a method approved by the State Water Board or by a physical, handwritten signature. The parties mutually agree that an electronic signature using a method approved by the State Water Board is the same as a physical, handwritten signature for the purposes of validity, enforceability, and admissibility.

4. PARTY CONTACTS

State Water Board		[Recipient]	
Section:	Division of Financial Assistance		
Name:	xxxx, Project Manager	Name:	Title
Address:	1001 I Street, Floor	Address:	
City, State, Zip:	Sacramento, CA 95814	City, State, Zip:	
Phone:	(916)	Phone:	
Email:	[PMemail]@waterboards.ca.gov [programemail@waterboards.ca.gov]	Email:	

The Recipient may change its contact upon written notice to the Division, which notice shall be accompanied by authorization from the Recipient's Authorized Representative. The State Water Board will notify the Recipient of any changes to its contact.

While the foregoing are contacts for day-to-day communications regarding Project work, the Recipient and Operating JPA shall provide official communications and events of Notice as set forth in Exhibit C to the Division's Deputy Director.

5. DEFINITIONS.

Unless otherwise specified, each capitalized term used in this Agreement has the following meaning:

"Additional Payments" means the reasonable extraordinary fees and expenses of the State Water Board, and of any assignee of the State Water Board's right, title, and interest in and to this Agreement, in connection with this Agreement, including all expenses and fees of accountants, trustees, staff, contractors, consultants, costs, insurance premiums and all other extraordinary costs reasonably incurred by the State Water Board or assignee of the State Water Board.

"Advanced Water Purification Facility" means the advanced water purification facility to treat effluent from the Operating JPA's Tapia Water Reclamation Facility for potable reuse, which is to be constructed as

part of the Project as described in Exhibit A, Exhibit B, and documents incorporated by reference herein. The Advanced Water Purification Facility is deemed to be part of the Joint System.

"Allocated Share" means, with respect to each Member, the share of Payments, Additional Payments, Reserve Fund Contributions, Member Contributions, Project Bond Payments, and all other amounts required to be paid under this Agreement for which the Member is responsible for payment under its respective Payment Agreement and the Operating JPA Agreement. The Allocated Share of Las Virgenes Municipal Water District is 70.60% and the Allocated Share of Triunfo Water and Sanitation District is 29.40%.

"Allowance" means an amount based on a percentage of the accepted bid for an eligible project to help defray the planning, design, and construction engineering and administration costs of the Project.

"Agreement" means this agreement, including all exhibits and attachments hereto.

"Authorized Representative" means the duly appointed representative of the Recipient or of the Operating JPA as set forth in the certified originals of the authorizing resolutions of the Recipient and of the Operating JPA that designate the authorized representative by title.

"Bank" means the California Infrastructure and Economic Development Bank.

"Bond Funded Portion of the Project Funds" means any portion of the Project Funds which was or will be funded with Bond Proceeds.

"Bond Proceeds" means original proceeds, investment proceeds, and replacement proceeds of Bonds.

"Bonds" means any series of bonds issued by the Bank, the interest on which is excluded from gross income for federal tax purposes, all or a portion of the proceeds of which have been, are, or will be applied by the State Water Board to fund all or any portion of the Project Costs or that are secured in whole or in part by Payments paid hereunder.

"Charge In Lieu of Interest" means any fee or charge in lieu of some or all of, but not to exceed, the interest that would otherwise be owed under this Agreement, as set forth in Exhibit E.

"Code" as used in Exhibit F of this Agreement means the Internal Revenue Code of 1986, as amended, and any successor provisions and the regulations of the U.S. Department of the Treasury promulgated thereunder.

"Completion of Construction" means the date, as determined by the Division after consultation with the Recipient and Operating JPA, that the work of building and erection of the Project is substantially complete, and is identified in Exhibit A of this Agreement.

"Construction Period Interest" (CPI) means interest that accrues on disbursed Project Funds prior to Completion of Construction. Construction Period Interest is capitalized at Completion of Construction.

"Cover Page" means the front page of this Agreement.

"Days" means calendar days unless otherwise expressly indicated.

"Debt Service" means, as of any date, with respect to outstanding Project Bonds and Member Obligations and, in the case of the additional debt tests in Exhibit B of this Agreement, any Project Bonds or Member Obligations that are proposed to be outstanding, the aggregate amount of principal (excluding Excluded Principal) and interest scheduled to become due (either at maturity or by mandatory redemption),

together with any Charge In Lieu of Interest on this Obligation or other Project Bonds or Member Obligations owed to the State Water Board, calculated with the following assumptions:

- a. Principal payments (unless a different subdivision of this definition applies for purposes of determining principal maturities or amortization) are made in accordance with any amortization schedule published for such principal, including any minimum sinking fund payments;
- b. Interest on a variable rate Project Bond or Member Obligation that is not subject to a swap agreement and that is issued or will be issued as a tax-exempt obligation under federal law, is assumed to be (i) a fixed rate equal to the average variable rate borne over the preceding twelve (12) months by outstanding variable rate debt issued or executed by the Recipient, or (ii) if no such variable rate debt is outstanding at the time of the calculation, the average of the SIFMA Municipal Swap Index, or its successor index, during the 24 months preceding the date of such calculation;
- c. Interest on a variable rate Project Bond or Member Obligation that is not subject to a swap agreement and that is issued or will be issued as a taxable obligation under federal law, is assumed to be (i) a fixed rate equal to the average variable rate borne over the preceding twelve (12) months by outstanding variable rate debt issued or executed by the Recipient, or (ii) if no such variable rate debt is outstanding at the time of the calculation, the average of SOFR, or its successor index, during the 24 months preceding the date of such calculation;
- d. Interest on a variable rate Project Bond or Member Obligation that is subject to a swap agreement is the fixed swap rate or cap strike rate, as appropriate, if the variable rate has been swapped to a fixed rate or capped pursuant to an interest rate cap agreement or similar agreement;
- e. Interest on a fixed rate Project Bond or Member Obligation that is subject to a swap agreement such that all or a portion of the interest has been swapped to a variable rate shall be treated as variable rate debt under subdivisions (b) or (c) of this definition of Debt Service;
- f. As to any Project Bond or Member Obligation or portion thereof which bear no interest but which are sold at a discount and which discount accretes with respect to such Project Bond or Member Obligation or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service;
- g. Payments of principal and interest on a Project Bond or Member Obligation are excluded from the calculation of Debt Service to the extent such payments are to be paid from amounts then currently on deposit with a trustee or other fiduciary and restricted for the defeasance of such Project Bond or Member Obligation;
- h. If 25% or more of the principal of a Project Bond or Member Obligation is not due until its final stated maturity (and such principal is not Excluded Principal), then principal and interest on that Project Bond or Member Obligation may be projected to amortize over the lesser of 30 years or the Useful Life of the financed asset, and interest may be calculated according to subdivisions (b)-(f) of this definition of Debt Service, as appropriate.
- i. Interest shall not include any interest capitalized from proceeds of a Project Bond or Member Obligation.

"Deputy Director" means the Deputy Director of the Division.

"Division" means the Division of Financial Assistance of the State Water Board or any other segment of the State Water Board authorized to administer this Agreement.

“Eligible Construction Start Date” means the date set forth on the Cover Page of this Agreement, establishing the date on or after which construction costs may be incurred and eligible for reimbursement hereunder.

“Eligible Work Start Date” means the date set forth on the Cover Page of this Agreement, establishing the date on or after which any non-construction costs may be incurred and eligible for reimbursement hereunder.

“Event of Default” means the occurrence of any of the following events:

- a) Failure by the Recipient to make any payment required to be paid pursuant to this Agreement, including Payments;
- b) A representation or warranty made by or on behalf of the Recipient or the Operating JPA in this Agreement or in any document furnished by or on behalf of the Recipient or the Operating JPA to the State Water Board pursuant to this Agreement shall prove to have been inaccurate, misleading or incomplete in any material respect;
- c) A material adverse change in the condition of the Recipient, the Operating JPA, the Revenues, the Member Revenues, the Joint System, or any Member System which the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement.
- d) Failure by the Recipient to comply with the additional debt test or reserve fund requirement, if any, in Exhibit B or Exhibit D of this Agreement;
- e) Failure to operate the Joint System or the Project without the Division's approval;
- f) Failure by the Recipient or the Operating JPA to observe and perform any covenant, condition, or provision in this Agreement, which failure shall continue for a period of time, to be determined by the Division;
- g) The occurrence of a material breach or event of default under any System Obligation, Material Obligation, or Member Obligation that results in the acceleration of principal or interest or otherwise requires immediate prepayment, repurchase or redemption;
- h) Initiation of proceedings seeking arrangement, reorganization, or any other relief under any applicable bankruptcy, insolvency, or other similar law; the appointment of or taking possession of the property of any Project Party by a receiver, liquidator, assignee, trustee, custodian, conservator, or similar official; any Project Party entering into a general assignment for the benefit of creditors; the initiation of resolutions or proceedings to terminate the existence of any Project Party, or any action in furtherance of any of the foregoing;
- i) A determination pursuant to Gov. Code section 11137 that any Project Party has violated any provision in Article 9.5 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code;
- j) The occurrence of a material breach or event of default under, or termination of, any agreement providing for payments to the Recipient for the payment of Debt Service, payment of Member Contributions, payment of Reserve Fund Contributions, and/or the continued existence, operation, and maintenance of the Operating JPA, the Recipient, the Joint System, the Advanced Water Purification Facility, or the Project, including but not limited to:
 - Either Payment Agreement
 - The Joint Exercise of Powers Agreement by and between Las Virgenes Municipal Water District and Triunfo Water & Sanitation District, dated as of January 26, 2009 and as amended from time to time (the “Operating JPA Agreement”)
 - The Joint Exercise of Powers Agreement, dated as of September 1, 2023, by and between Las Virgenes Municipal Water District and Triunfo Water & Sanitation District, pursuant to which the Recipient was established (“The PFA Agreement”)

k) Loss of the rights, licenses, permits, or privileges necessary for the operation of the Joint System, the Project, or any Member System or the occurrence of any material restraint on the Recipient's enterprise by a government agency or court order.

"Excluded Principal" means each payment of principal of any Project Bond or Member Obligation: (1) which is commercial paper or otherwise of a revolving or short-term nature and has a maturity of less than 60 months; and (2) for which a certificate of an authorized representative of the Recipient or the applicable Member has been prepared to the effect that the Recipient or Member intends to pay such principal from the proceeds of Project Bonds, Member Obligations or other obligations or moneys other than Revenues or Member Revenues.

"Final Budget Approval" (FBA) means the Division's written approval of the final budget for the Project or a phase of the Project.

"Final Payment Date" is the date by which all principal and accrued interest due under this Agreement is to be paid in full to the State Water Board and is specified on the Cover Page of this Agreement.

"Final Reimbursement Request Date" means the date set forth as such on the Cover Page of this Agreement, after which date, no further Project Funds disbursements may be requested.

"Fiscal Year" means the period of twelve (12) months terminating on June 30 of any year, or any other annual period selected and designated by the Recipient or a Member Agency as its Fiscal Year in accordance with applicable law.

"Force Account" means the use of the Project Parties' own employees, equipment, or resources for the Project.

"GAAP" means generally accepted accounting principles, the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor, or the Uniform System of Accounts, as adopted by the California Public Utilities Commission for water utilities.

"Guidelines" means the State Water Board's "Water Recycling Funding Program guidelines," in effect as of the execution date of this Agreement.

"Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the Project (i.e., costs that are not directly related to the Project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Recipient; non-project-specific accounting and personnel services performed within the Recipient organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; generic overhead or markup; and taxes.

"Initiation of Construction" means the date that notice to proceed with work is issued for the Project, or, if notice to proceed is not required, the date of commencement of building and erection of the Project.

"Joint System" means the facilities owned jointly by the Members pursuant to the Operating JPA Agreement.

"Las Virgenes Member Revenues" means the income, rents, rates, fees, charges, and other moneys derived by Las Virgenes Municipal Water District from the ownership or operation of the Las Virgenes System including, without limiting the generality of the foregoing: (i) all income, rents, rates, fees, charges or other moneys derived from the sale and distribution of potable and recycled water and the collection,

conveyance, treatment, reclamation and disposal of wastewater and other services, facilities and commodities sold, furnished or supplied through the facilities of the Las Virgenes System, including standby and availability charges, capital facilities fees for design, construction and reconstruction expenses, development fees and other fees allocable to the Las Virgenes System; (ii) taxes or assessments as may be imposed if the levy thereof and payment thereof is permitted by law; (iii) the earnings on and income derived from amounts set forth in clauses (i) and (ii) above; and (iv) deposits to Las Virgenes Municipal Water District's Member Enterprise Fund from amounts on deposit in the Las Virgenes Rate Stabilization Fund in accordance with Section 14 of the Las Virgenes Payment Agreement; but excluding in all cases: (x) customers' deposits or any other deposits subject to refund until such deposits have become the property of the Purchaser; (y) proceeds of any taxes or assessments except taxes or assessments described in clause (ii) above; and (z) Las Virgenes Member Revenues transferred from Las Virgenes Municipal Water District's Member Enterprise Fund to the Las Virgenes Rate Stabilization Fund in accordance with Section 4(b)(iii) of the Las Virgenes Payment Agreement.

"Las Virgenes Potable Water Enterprise" means the existing facilities and property owned by Las Virgenes Municipal Water District in connection with the water distribution and supply services of Las Virgenes Municipal Water District, together with all extensions thereof and improvements thereto hereafter acquired, constructed or installed by Las Virgenes Municipal Water District.

"Las Virgenes Rate Stabilization Fund" means the Las Virgenes Municipal Water District account designated as Fund 603, together with other accounts created in the future and designated by the Las Virgenes Municipal Water District Board of Directors as a part of the "Rate Stabilization Fund" created pursuant to Section 14 of the Las Virgenes Payment Agreement.

"Las Virgenes Recycled Water System" means all wastewater, water recycling, and/or potable water collection, pumping, transport, treatment, storage, and/or disposal facilities, including land and easements thereof, owned by Las Virgenes Municipal Water District, and all other properties, structures or works hereafter acquired and constructed by Las Virgenes Municipal Water District and determined to be a part of the Las Virgenes Recycled Water System, together with all additions, betterments, extensions or improvements to such facilities, properties, structures, or works, or any part thereof hereafter acquired and constructed.

"Las Virgenes Subsystem" has the meaning given in Exhibit D.

"Las Virgenes System" means properties and assets, real and personal, tangible and intangible, of Las Virgenes Municipal Water District now or hereafter existing, used or pertaining to the purchase, collection, treatment, pumping, transport, storage, sale and distribution of potable and recycled water and the collection, conveyance, pumping, treatment, reclamation, storage and disposal of wastewater, including all additions, extensions, expansions, improvements and betterments thereto and equipment relating thereto; provided, however, that to the extent that Las Virgenes Municipal Water District is not the sole owner of an asset or property or to the extent that an asset is used only in part for the above-described water or wastewater purposes, only Las Virgenes Municipal Water District's ownership interest in such asset or property or only the part of the asset or property so used for water or wastewater purposes shall be considered to be part of the Las Virgenes System.

"Las Virgenes Wastewater System" means all wastewater collection, pumping, transport, treatment, storage, and disposal facilities, including land and easements thereof, owned by Las Virgenes Municipal Water District, and all other properties, structures, or works hereafter acquired and constructed by Las Virgenes Municipal Water District and determined to be a part of the Las Virgenes Wastewater System, together with all additions, betterments, extensions, or improvements to such facilities, properties, structures, or works, or any part thereof hereafter acquired and constructed.

“Listed Event” means, so long as any Project Party has outstanding any Project Bonds or Member Obligation subject to Rule 15c2-12, any of the events required to be reported with respect to such Project Bonds or Member Obligation pursuant to Rule 15c2-12(b)(5).

“Material Obligation” means an obligation of the Recipient that is material to this transaction, including Project Bonds.

“Maximum Annual Debt Service” means the maximum amount of Debt Service due on Project Bonds or Member Obligations in a Fiscal Year during the period commencing with the Fiscal Year for which such calculation is made and within the next five years in which Debt Service for any Project Bonds or Member Obligations will become due.

“Member Authorized Representative” means, with respect to each Member, the duly appointed representative of the Member as set forth in the certified originals of the authorizing resolution of the Member that designates the authorized representative by title.

“Member Contributions” means deposits to the operations and construction funds of the Operating JPA made by the Members pursuant to the Operating JPA Agreement.

“Member Enterprise Fund” means, with respect to each Member, the enterprise fund of the Member in which Member Revenues are deposited.

“Member Material Obligation” means, with respect to each Member, an obligation of the Member that is material to this transaction, including Member Obligations.

“Member Net Revenues” means, for any Fiscal Year and with respect to each Member, all Member Revenues received by the Member less the Member Operations and Maintenance Costs for such Fiscal Year.

“Member Obligation” means, with respect to each Member, any obligation of the Member payable from the Member Revenues, including but not limited to its Member Payment Obligation, any Member Parity Obligation, any Member Subordinate Obligation, and such additional obligations as may hereafter be issued in accordance with the provisions of such obligation, the Member Payment Agreement, and this Agreement.

“Member Operations and Maintenance Costs” means, with respect to each Member, the reasonable and necessary costs spent or incurred by a Member for maintaining and operating their Member System, determined in accordance with GAAP, including (among other things) payments under the Payment Agreements, all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Member System in good repair and working order, and including all reasonable and necessary administrative costs of the Member that are charged directly or apportioned to the operation of the Member System, such as salaries and wages of employees, payments to the Public Employee Retirement System, overhead, taxes (if any), the costs of permits, licenses, charges to operate the Member System and insurance premiums, and potable and recycled water purchase and production costs; but excluding, in all cases (i) depreciation, replacement, and obsolescence charges or reserves therefor and (ii) amortization of intangibles or other bookkeeping entries of a similar nature.

“Member Parity Obligation” means, with respect to each Member, a debt obligation of the Member on parity with the Member’s Member Payment Obligation.

With respect to Las Virgenes Municipal Water District, the Member Parity Obligations are these:

- The Amended and Restated Installment Purchase Agreement by and between Las Virgenes Municipal Water District and Key Government Finance, Inc., dated as of June 1, 2025 relating to the \$10,100,000 Las Virgenes Municipal Water District, Potable Water, Series 2020 Placement (the “2020 Las Virgenes IPA”).

With respect to Triunfo Water & Sanitation District, there are no Member Parity Obligations.

“Member Payment Obligation” means, with respect to each Member, the Member’s obligation to make Member Payments for its Allocated Share of any and all amounts owed by the Recipient or the Operating JPA to the State Water Board under this Agreement, including but not limited to Payments and Additional Payments, and the Member’s obligation to make Member Contributions, Reserve Fund Contributions, and Project Bond Payments. Each Member’s Member Payment Obligation shall be secured via its respective Payment Agreement by a pledge of the Member’s Member Net Revenues in accordance with the requirements of Exhibit D.

“Member Payments” means the payments made by each Member under its Payment Agreement reflecting the Members’ Member Payment Obligations.

“Member Revenues” means, for any Fiscal Year, the Las Virgenes Member Revenues with respect to Las Virgenes Municipal Water District and the Triunfo Member Revenues with respect to Triunfo Water & Sanitation District.

“Member Senior Obligation” means, with respect to each Member, a debt obligation of the Member that is senior to the Member’s Member Payment Obligation. There are no Member Senior Obligations.

“Member Subordinate Obligation” means, with respect to each Member, a debt obligation of the Member that is subordinate to the Member’s Member Payment Obligation. There are no Member Subordinate Obligations.

“Member System” means the Las Virgenes System with respect to Las Virgenes Municipal Water District and the Triunfo System with respect to Triunfo Water and Sanitation District (together, the “Member Systems”).

“Members” means the members of the Operating JPA, Las Virgenes Municipal Water District and Triunfo Water and Sanitation District (each, a “Member”).

“Obligation” means the obligation of the Recipient to make Payments (including Additional Payments) as provided herein, as evidenced by the execution of this Agreement, proceeds of such obligations being used to fund the Project as specified in the Project Description in Exhibit A and Exhibit B and in the documents thereby incorporated by reference.

“Operating JPA” means the Las Virgenes-Triunfo Joint Powers Authority. In any provision of this Agreement referencing duties undertaken by the Recipient on behalf of the Operating JPA, the term “Operating JPA” shall also refer to the Recipient.

“Operating JPA Operations and Maintenance Costs” means the reasonable and necessary costs paid or incurred by the Operating JPA for maintaining and operating the Joint System, determined in accordance with GAAP, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Joint System in good repair and working order, and including all reasonable and necessary administrative costs of the Recipient that are charged directly or apportioned to the operation of the Joint System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits, licenses, and charges to operate the Joint System and insurance premiums; but

excluding, in all cases depreciation, replacement, and obsolescence charges or reserves therefor and amortization of intangibles.

"Parity Project Bonds" means all Project Bonds currently existing or hereafter issued in accordance with the requirements of Exhibit B which are payable from Revenues on parity with the Obligation. The Parity Project Bonds are these:

- The WIFIA Loan Agreement Pure Water Project Las Virgenes-Triunfo (WIFIA ID – N22127CA), dated as of [insert date], by and among the United States Environmental Protection Agency, the Operating JPA and the Recipient, relating to the [2025 Bonds] (the "WIFIA Loan")
- [any others issued at execution]

"Payment" means any payment due to the State Water Board from the Recipient pursuant to this Agreement.

"Payment Agreement" means, with respect to Las Virgenes Municipal Water District, the Las Virgenes Municipal Water Payment Agreement attached to this Agreement as Exhibit G (the "Las Virgenes Payment Agreement"), and with respect to Triunfo Water and Sanitation District, the Triunfo Payment Agreement attached to this Agreement as Exhibit H (the "Triunfo Payment Agreement") (together, the "Payment Agreements").

"Policy" means the State Water Board's "Policy for Implementing the Clean Drinking Water State Revolving Fund," as amended from time to time, including the Intended Use Plan in effect as of the execution date of this Agreement.

"Project" means the Project financed by this Agreement as described in Exhibits A and B and in the documents incorporated by reference herein.

"Project Bond Payments" means all payments owed by the Members to the Recipient with respect to Project Bonds other than the Obligation.

"Project Bonds" means all obligations of the Recipient issued or incurred for the purpose of financing the Project and payable from the Revenues either on parity with or subordinate to the Obligation, including the Obligation, all Parity Project Bonds and all Subordinate Project Bonds.

"Project Completion" means the date, as determined by the Division after consultation with the Recipient and the Operating JPA, that operation of the Project is initiated or is capable of being initiated, whichever comes first.

"Project Costs" means the incurred costs of the Recipient or Operating JPA which are eligible for financial assistance under this Agreement, which are allowable costs as defined under the Policy, and which are reasonable, necessary and allocable by the Operating JPA to the Project under GAAP, and may include capitalized interest.

"Project Funds" means all moneys disbursed to the Recipient by the State Water Board for eligible Project Costs pursuant to this Agreement.

"Project Parties" means the Recipient, the Operating JPA, and the Members (each, a "Project Party").

"Recipient" means Las Virgenes-Triunfo Public Financing Authority. In any provision of this Agreement referencing duties undertaken by the Operating JPA on behalf of the Recipient, the term "Recipient" shall also refer to the Operating JPA.

“Records Retention End Date” means the last date that the Recipient is obligated to maintain records and is set forth on the Cover Page of this Agreement.

“Regional Water Quality Control Board” or “Regional Water Board” means the appropriate Regional Water Quality Control Board.

“Reimbursement Resolution” means the Recipient’s reimbursement resolution identified and incorporated by reference in this Agreement.

“Reserve Fund” means the reserve fund required pursuant to Exhibit B of this Agreement.

“Reserve Fund Contributions” means the contributions of the Members to the Recipient made pursuant to the Payment Agreements for the purpose of funding their Allocated Share of the Reserve Fund.

“Revenue Fund” means the special fund of the Recipient in which Revenues are deposited and which fund the Recipient agrees and covenants to hold separate and apart from other funds so long as any Project Bonds remain unpaid.

“Revenues” means the payments received by the Recipient (or by a trustee or holder of Project Bonds) from the Members under the Payment Agreements reflecting each Member’s Allocated Share of Payments, Additional Payments, Reserve Fund Contributions, and Project Bond Payments.

“Rule 15c2-12(b)(5)” means Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

“Senior Obligation” means a debt obligation of the Recipient that is senior to this Obligation. There are no Senior Obligations.

“SRF” means the Clean Water State Revolving Fund.

“State” means State of California.

“State Water Board” means the State Water Resources Control Board.

“Subordinate Project Bonds” means all Project Bonds currently existing or hereafter issued in accordance with the requirements of Exhibit B which are payable from Revenues subordinate to the Obligation. There are no Subordinate Project Bonds.

“Triunfo Member Revenues” means the income, rents, rates, fees, charges, and other moneys derived by Triunfo Water & Sanitation District from the ownership or operation of the Triunfo System including, without limiting the generality of the foregoing: (i) all income, rents, rates, fees, charges or other moneys derived from the collection, conveyance, treatment, reclamation and disposal of wastewater and other services, facilities and commodities sold, furnished or supplied through the facilities of the Triunfo System, including standby and availability charges, capital facilities fees for design, construction and reconstruction expenses, development fees and other fees allocable to the Triunfo System; (ii) taxes or assessments as may be imposed if the levy thereof and payment thereof is permitted by law; (iii) the earnings on and income derived from amounts set forth in clauses (i) and (ii) above; and (iv) deposits to Triunfo Water & Sanitation District’s Member Enterprise Fund from amounts on deposit in the Triunfo Rate Stabilization Fund in accordance with Section 14 of the Triunfo Payment Agreement; but excluding in all cases: (x) customers’ deposits or any other deposits subject to refund until such deposits have become the property of Triunfo Water & Sanitation District; (y) proceeds of any taxes or assessments except taxes or assessments described in clause (ii) above; and (z) Triunfo Member Revenues

transferred from Triunfo Water & Sanitation District's Member Enterprise Fund to the Triunfo Rate Stabilization Fund in accordance with Section 4(b)(iii) of the Triunfo Payment Agreement.

"Triunfo Rate Stabilization Fund" means the Purchaser account designated as account number 90040, together with other accounts created in the future and designated by the Board of Directors of Triunfo Water & Sanitation District as a part of the Rate Stabilization Fund created pursuant to Section 14 of the Triunfo Payment Agreement.

"Triunfo System" means properties and assets, real and personal, tangible and intangible, of Triunfo Water and Sanitation District now or hereafter existing, used or pertaining to the collection, conveyance, treatment, storage, reclamation and disposal of wastewater, including all additions, extensions, expansions, improvements and betterments thereto and equipment relating thereto; provided, however, that to the extent that Triunfo Water and Sanitation District is not the sole owner of an asset or property or to the extent that an asset or property is used only in part for the above-described wastewater purposes, only Triunfo Water and Sanitation District's ownership interest in such asset or property or only the part of the asset or property so used for wastewater purposes shall be considered to be part of the Triunfo System.

"Useful Life" means the economically useful life of the Project beginning at Completion of Construction and is set forth in Exhibit A.

"Water Supply Debt" means a payment obligation of the Recipient, the Operating JPA, or any Member which is payable from the Revenues or the Member Revenues and arises pursuant to any agreement for the purchase or supply of water, which obligation: (a)(i) is owed by the Recipient, Operating JPA, or Member irrespective of the amount of water such party receives under the agreement, including if such entity receives no water under the agreement, and (ii) reflects principal and interest on, or reimbursement of, capital costs incurred by the counterparty to the agreement; or (b) is paid for the benefit of the creditors of the counterparty to the agreement. The Recipient, Operating JPA, and the Members have no Water Supply Debt.

"Year" means calendar year unless otherwise expressly indicated.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY:

By: _____
Name: [Officer]
Title: [Title1]

Date: _____

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY:

By: _____
Name: [Officer]
Title: [Title1]

Date: _____

STATE WATER RESOURCES CONTROL BOARD:

By: _____
Name: [Officer]
Title: Deputy Director
Division of Financial Assistance

Date: _____

EXHIBIT A – SCOPE OF WORK

A.1. PROJECT DESCRIPTION, USEFUL LIFE, AND SCOPE OF WORK.

(a) The Project is the project set forth on the Cover Page of this Agreement.

(b) The Useful Life of this Project is at least _____ years.

(c) Project Purpose and Description

[leave placeholder “to be inserted by DFA”]

(d) Scope of Work.

The Operating JPA agrees to do the following:

[leave placeholder “to be inserted by DFA”]

A.2. STANDARD PROJECT REQUIREMENTS.

A.2.1 Acknowledgements.

The Recipient and Operating JPA shall include the following acknowledgement in any document, written report, or brochure prepared in whole or in part pursuant to this Agreement:

“Funding for this project has been provided in full or in part through Agreement No. Dxxxxxx with the State Water Resources Control Board. California's Clean Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds. The contents of this document do not necessarily reflect the views and policies of the foregoing agencies, nor do the foregoing agencies endorse trade names or recommend the use of commercial products mentioned in this document, as well as images, video, text, or other content created by generative artificial intelligence tools, nor does any such content reflect the views and policies of the foregoing.

A.2.2 Reports

A.2.2.1 Progress Reports.

(a) The Recipient must provide a progress report to the Division each quarter, beginning no later than 90 days after execution of this Agreement.

(b) The Recipient must provide a progress report with each reimbursement request. Failure to provide a complete and accurate progress report may result in the withholding of Project Funds, as set forth in Exhibit B.

(c) A progress report must contain the following information:

- i. A summary of progress to date including a description of progress since the last report, percent construction complete, percent contractor invoiced, and percent schedule elapsed;
- ii. A description of compliance with environmental requirements;

- iii. A listing of change orders including amount, description of work, and change in contract amount and schedule; and
- iv. Any problems encountered, proposed resolution, schedule for resolution, and status of previous problem resolutions.

A.2.2.2 Project Completion Report.

(a) The Recipient or Operating JPA must submit a Project Completion Report to the Division with a copy to the appropriate Regional Water Board on or before the due date established by the Division and the Recipient at the time of final project inspection. The Project Completion Report must include the following:

- i. Description of the Project,
- ii. Description of the water quality problem the Project sought to address,
- iii. Discussion of the Project's likelihood of successfully addressing that water quality problem in the future, and
- iv. Summary of compliance with applicable environmental conditions.

(b) If the Recipient and Operating JPA fail to submit a timely Project Completion Report, the State Water Board may stop processing pending or future applications for new financial assistance, withhold disbursements under this Agreement or other agreements, and begin administrative proceedings.

A.2.2.3 As Needed Reports.

The Recipient must provide expeditiously, during the term of this Agreement, any reports, data, and information reasonably required by the Division, including but not limited to material necessary or appropriate for evaluation of the funding program or to fulfill any reporting requirements of the state or federal government.

A.2.2.4 Recycled water reports.

- (a) Commencing with the date of Project Completion, the Recipient or Operating JPA must submit annual reports for five (5) consecutive calendar years or until the Project's actual total annual recycled water deliveries equal the Project's planned total recycled water deliveries.
- (b) The Recipient or Operating JPA must submit annual reports in hard copy and/or electronically.
- (c) The first annual report is due on February 28th following the first full calendar year of operation and shall cover the period from the Project Completion through the end of the first full calendar year thereafter. Subsequent annual reports are due by February 28th following the calendar year covered. The annual reports shall be prepared in accordance with the "Water Recycling Funding Program Guidelines."
- (d) The annual reports must include the following:
 - i. The planned total recycled water deliveries from the Recipient's funding application/user-connection schedule;

- ii. A breakdown of the actual total annual recycled water deliveries by month and type of use, presented in a table showing month vs. type of use. If the Recipient supplements recycled water deliveries with potable or fresh water, the annual report must include the monthly and total amounts;
- iii. The Project's operation and maintenance costs for the year;
- iv. The costs to Recipient's end users of recycled water vs. potable/fresh water during the year; and
- v. If the Project's actual total recycled water deliveries are less than the planned total recycled water deliveries, the Recipient or Operating JPA must provide a brief discussion on its progress toward achieving the remaining system capacity.

A.2.2.5 Disadvantaged Business Enterprise Good Faith Efforts.

The Recipient shall comply with the applicable Disadvantaged Business Enterprises (DBE) requirements in 40 CFR part 33 for the Project and require its prime contractors on the Project to comply. 40 CFR § 33.301 requires the use of good faith efforts to utilize DBE's whenever procuring construction, equipment, services, and supplies. 40 CFR § 33.501 includes recordkeeping requirements. If required by the Division, the Recipient must provide such information as may be requested demonstrating compliance with DBE requirements.

A.2.3 Signage.

The Operating JPA or Recipient shall place a sign at least four feet tall by eight feet wide made of ¾ inch thick exterior grade plywood or other approved material in a prominent location on the Project site and shall maintain the sign in good condition for the duration of the construction period. The sign must include the following disclosure statement and color logos (available from the Division):

a.



"Funding for this \$xx million [name of project] project has been provided in full or in part by Proposition 1 - -- the Water Quality, Supply, and Infrastructure Improvement Act of 2014 and the Clean Water State Revolving Fund through an agreement with the State Water Resources Control Board. California's Clean Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds, including the Safe Drinking Water, Wildfire Prevention, Drought Preparedness and Clean Air Bond Act of 2024."

- b. The Project sign may include another agency's required promotional information so long as the above logos and disclosure statement are equally prominent on the sign. The sign shall be prepared in a professional manner.

A.2.4 Commencement of Operations.

Upon Completion of Construction of the Project, the Operating JPA must expeditiously initiate Project operations.

A.3 DATES & DELIVERABLES.

- (a) Time is of the essence.
- (b) The Operating JPA must expeditiously proceed with and complete construction of the Project.
- (c) The following dates are established as on the Cover Page of this Agreement:
 - i. Eligible Work Start Date
 - ii. Eligible Construction Start Date
 - iii. Completion of Construction Date
 - iv. Final Reimbursement Request Date
 - v. Records Retention End Date
 - vi. Final Payment Date
- (d) The Operating JPA must award the prime construction contract timely.
- (e) The Operating JPA agrees to start construction no later than six (6) months after the execution of this Agreement
- (f) The Recipient must deliver any request for extension of the Completion of Construction date no less than 90 days prior to the Completion of Construction date.
- (g) The undisbursed balance of this Agreement will be deobligated if the Recipient does not provide its final reimbursement request to the Division on or before the Final Reimbursement Request Date.
- (h) Upon request by the Division, the Recipient shall submit verifiable data to support deliverables specified in the Scope of Work. The Recipient's failure to comply with this requirement may be construed as a material breach of this Agreement.

A.4 SCHEDULE.

Failure to provide items by the due dates indicated in the table below may constitute a material violation of this Agreement. The Project Manager may adjust the dates in the "Estimated Due Date" column of this table, but Critical Due Date adjustments will require an amendment to this Agreement. The Recipient and Operating JPA must complete and submit all work in time to be approved by the Division prior to Project Completion. As applicable for specific submittals, the Recipient and Operating JPA must plan adequate time to solicit, receive, and address comments prior to submitting the final submittal. The Recipient must submit the final reimbursement request prior to the Final Reimbursement Request Date set forth on the Cover Page.

[DFA will insert Schedule of Deliverables]

EXHIBIT B – FUNDING TERMS

B.1. FUNDING AMOUNTS AND REIMBURSEMENTS

B.1.1 Funding Contingency and Other Sources.

(a) If this Agreement's funding for any fiscal year expires due to reversion or is reduced, substantially delayed, or deleted by the state or federal government, such as by budget act, by executive order, or by order or action of the Department of Finance or a federal agency, the State Water Board has the option to either cancel this Agreement with no liability accruing to the State Water Board, or offer an amendment to the Recipient to reflect the reduced amount.

(b) If funding for Project Costs is made available to the Recipient from sources other than this Agreement, the Recipient must notify the Division. The Recipient may retain such funding up to an amount which equals the Recipient's share of Project Costs. To the extent allowed by requirements of other funding sources, excess funding must be remitted to the State Water Board to be applied to Payments due hereunder, if any.

B.1.2 Estimated Reasonable Cost.

The estimated reasonable cost of the total Project, including associated planning and design costs is Written Dollar Amount dollars and no cents (\$Dollar Amount).

B.1.3 Project Funding Amount.

Subject to the terms of this Agreement, the State Water Board agrees to provide Project Funds not to exceed the amount of the Project Funding Amount set forth on the Cover Page of this Agreement.

B.1.4 Grant Component.

(a) Contingent on the Recipient's performance of its obligations under this Agreement, the State Water Board will make a grant of not to exceed the amount of the Total Grant Component set forth on the Cover Page of this Agreement, including the Proposition 4 Grant Component and the General Fund Grant Component.

(b) Upon Completion of Construction, the State Water Board will prepare an alternate payment schedule reflecting this grant.

B. 1.5 Budget Costs.

(a) Estimated budget costs are contained in the Summary Project Cost Table below:

[DFA will insert table]

The Division's Final Budget Approval and related Form 259 and Form 260 will document a more detailed budget of eligible Project Costs and Project funding amounts. Construction of the Project may be completed in phases with written approval of the Division. If construction proceeds under separate phases, the Recipient must submit a Final Budget Approval package and receive Final Budget Approval from the Division for each phase.

Project Costs incurred prior to November 5, 2024 are not eligible for the Total Grant Component under this Agreement. The Recipient must not request reimbursement of Project Costs incurred prior to November 5, 2024 in excess of \$69,240,031.00. The Proposition 4 Grant Component Project Funds, in the amount of \$13,619,226.00, may not be available to reimburse Project Costs requested after February 28, 2033. If the Recipient has not requested reimbursement of Project Costs incurred on or after November 5, 2024, through submittal of complete, adequately supported, properly documented, and adequately addressed reimbursement requests in accordance with the reimbursement procedures contained in this Exhibit B, in an amount of no less than \$13,619,226.00 by February 28, 2033 the difference may revert to the State Water Board and may no longer be available under this Agreement, with no liability accruing to the State Water Board.

The General Fund Grant Component Project Funds, in the amount of \$1,380,774.00, may not be available to reimburse Project Costs requested after March 1, 2029. If the Recipient has not requested reimbursement of Project Costs incurred on or after July 1, 2024, through submittal of complete, adequately supported, properly documented, and adequately addressed reimbursement requests in accordance with the reimbursement procedures contained in this Exhibit B, in an amount of no less than \$1,380,774.00 by March 1, 2029, the difference may revert to the State Water Board and may no longer be available under this Agreement, with no liability accruing to the State Water Board.

Upon written request by the Recipient, the Division may adjust the line items of the budget at the time of Division's Final Budget Approval(s). Upon written request by the Recipient, the Division may also adjust the line items of the budget at the time of Recipient's submittal of its final claim. Any line item adjustments to the budget that are due to a change in scope of work will require an Agreement amendment. The sum of adjusted line items in the budget approved through the Final Budget Approval process must not exceed the Project Funding Amount. The Division may also propose budget adjustments.

(b) Under no circumstances may the sum of line items in the budget approved through the Final Budget Approval process exceed the Project Funding Amount. Any increase in the Project Funding Amount will require an Agreement amendment.

B.1.6 Contingent Disbursement.

(a) The State Water Board's disbursement of funds hereunder is contingent on the compliance of the Recipient and Operating JPA with the terms and conditions of this Agreement.

(b) The State Water Board's obligation to disburse Project Funds is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. If sufficient funds are not available for any reason, including but not limited to failure of the federal or State government to appropriate funds necessary for disbursement of Project Funds, the State Water Board shall not be obligated to make any disbursements to the Recipient under this Agreement. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any disbursements under this Agreement. Nothing in this Agreement shall be construed to provide the Recipient with a right of priority for disbursement over any other entity. If any disbursements due the Recipient under this Agreement are deferred because sufficient funds are unavailable, it is the intention of the State Water Board that such disbursement will be made to the Recipient when sufficient funds do become available, but this intention is not binding.

(c) Construction costs and disbursements are not available until after the Division has approved the final budget form submitted by the Recipient for the corresponding costs.

(d) No costs incurred prior to the Eligible Work Start Date are eligible for reimbursement.

(e) Construction costs incurred prior to the Eligible Construction Start Date are not eligible for reimbursement.

- (f) Failure to proceed according to the timelines set forth in this Agreement may require the Recipient to repay to the State Water Board all disbursed Project Funds.
- (g) The Recipient agrees to ensure that its final reimbursement request is received by the Division no later than the Final Reimbursement Request Date. If the final reimbursement request is not received timely, the undisbursed balance of this Agreement will be deobligated.
- (h) The Recipient is not entitled to interest earned on undisbursed funds.

B.1.7 Reimbursement Procedure.

Except as may be otherwise provided in this Agreement, disbursement of Project Funds will be made as follows:

- (a) Upon execution and delivery of this Agreement by the parties, the Recipient may request immediate reimbursement of any eligible incurred planning and design allowance costs through submission to the State Water Board of the Reimbursement Request Form 260 and Form 261, or any amendment thereto, duly completed and executed. To be eligible for reimbursement, Project Costs, including any planning and design allowance costs, must have been incurred in compliance with all applicable requirements, including the state and federal cross-cutting requirements listed in Exhibit C.
- (b) The Recipient must submit a reimbursement request for costs incurred prior to the date this Agreement is executed by the State Water Board no later than ninety (90) days after this Agreement is executed by the State Water Board. Late reimbursement requests may not be honored.
- (c) The Recipient may request reimbursement of eligible construction and equipment costs consistent with budget amounts approved by the Division in the Final Budget Approval.
- (d) Additional Project Funds will be promptly disbursed to the Recipient upon receipt of reimbursement request Form 260 and Form 261, or any amendment thereto, duly completed and executed by the Recipient for incurred costs consistent with this Agreement, along with receipt of progress reports due under Exhibit A.
- (e) The Recipient must not request reimbursement for any Project Cost until such cost has been incurred and is currently due and payable by the Recipient, although the actual payment of such cost by the Recipient is not required as a condition of reimbursement request. Supporting documentation (e.g., receipts) must be submitted with each reimbursement request. The amount requested for administration costs must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = total amount claimed). Disbursement of Project Funds will be made only after receipt of a complete, adequately supported, properly documented, and accurately addressed reimbursement request. Upon request by the Division, supporting documents for professional and administrative services must include the employees' names, classifications, labor rates, hours worked, and descriptions of the tasks performed. Reimbursement requests submitted without supporting documents may be wholly or partially withheld at the discretion of the Division.
- (f) The Recipient must spend Project Funds within 30 days of receipt. If the Recipient earns interest earned on Project Funds, it must report that interest immediately to the State Water Board. The State Water Board may deduct earned interest from future disbursements.

- (g) The Recipient shall not request a reimbursement unless that Project Cost is allowable, reasonable, and allocable.
- (h) Notwithstanding any other provision of this Agreement, no disbursement shall be required at any time or in any manner which is in violation of or in conflict with federal or state laws, policies, or regulations.
- (i) No work or travel outside the State of California is permitted under this Agreement unless the Division provides prior written authorization. Failure to comply with this restriction may result in termination this Agreement, pursuant to Exhibit C. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources at <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>, as of the date costs are incurred by the Recipient.

B.1.8 Withholding of Disbursements.

Notwithstanding any other provision of this Agreement, the State Water Board may withhold all or any portion of the Project Funds upon the occurrence of any of the following events:

- (a) The failure of the Recipient or Operating JPA to maintain reasonable progress on the Project as determined by the Division;
- (b) Placement on the ballot or passage of an initiative or referendum to repeal or reduce any Member's taxes, assessments, fees, or charges levied for operation of the Member System or payment of debt service on Member Obligations;
- (c) Commencement of litigation or a judicial or administrative proceeding related to the Project, Joint System, Revenues, any Member System, or Member Revenues that the State Water Board determines may impair the timely satisfaction of Recipient's obligations under this Agreement;
- (d) Any investigation by the State Water Board, District Attorney, California State Auditor, Bureau of State Audits, the USEPA Office of Inspector General, the Internal Revenue Service, Securities and Exchange Commission, a grand jury, or any other state or federal agency, relating to the financial management, accounting procedures, or internal fiscal controls of any Project Party;
- (e) A material adverse change in the condition of any Project Party, the Revenues, any Member Revenues, Joint System, or any Member System that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement, or any other event that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement;
- (f) The Recipient or Operating JPA's material violation of, or threat to materially violate, any term of this Agreement;
- (g) Suspicion of fraud, forgery, embezzlement, theft, or any other misuse of public funds by any Project Party or its employees, or by its contractors or agents regarding the Project, the Joint System, or any Member System;
- (h) An event requiring Notice as set forth in Exhibit C;
- (i) An Event of Default or an event that the Division determines may become an Event of Default.

B.1.9 Fraud and Misuse of Public Funds; Enforcement.

All requests for reimbursement submitted must be accurate and signed by the Recipient's Authorized Representative under penalty of perjury. All costs submitted pursuant to this Agreement must only be for the work or tasks set forth in this Agreement. The Recipient must not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any eligible costs for which the Recipient is seeking reimbursement

shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is improper and will not be compensated. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements and, notwithstanding any other section in this Agreement, the termination of this Agreement requiring the repayment of all Project Funds disbursed hereunder. Additionally, the Deputy Director of the Division may request an audit; refer the matter for appropriate administrative action, including but not limited to the recovery of financial assistance provided and the imposition of civil penalties; and/or refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. A person who knowingly makes or causes to be made any false statement, material misrepresentation, or false certification in any submittal may be subject to a civil penalty, criminal fine, or imprisonment. (Wat. Code, § 13490 et seq.)

B.2 RECIPIENT'S PAYMENT OBLIGATION, PLEDGE, AND RESERVE

B.2.1 Project Costs.

The Recipient must pay any and all costs connected with the Project including, without limitation, any and all Project Costs and Additional Payments. If the Project Funds are not sufficient to pay the Project Costs in full, the Recipient must nonetheless complete the Project and pay that portion of the Project Costs in excess of available Project Funds, and shall not be entitled to any reimbursement therefor from the State Water Board.

B.2.2 Estimated Principal Payment Due.

The estimated amount of principal that will be due to the State Water Board from the Recipient under this Agreement is Written Dollar Amount dollars and no cents (\$Dollar Amount).

B.2.3 Interest Rate and In-Lieu of Interest Charges.

(a) The Recipient agrees to make all Payments according to the schedule in Exhibit E, and as otherwise set forth herein, at an interest rate of Written Interest Rate % (X%) per annum.

(b) Interest will accrue beginning with each disbursement of repayable funds. Interest accrued prior to Completion of Construction will be Construction Period Interest and will be capitalized. At Completion of Construction, all accrued Construction Period Interest will be added to the principal amount. The final Payment Schedule will reflect the inclusion of Construction Period Interest in the principal amount.

(c) Construction Period Interest cannot be estimated at the date of execution of this Agreement. Estimated payments in the preliminary Payment Schedule, attached as Exhibit E, will include zero Construction Period Interest. Construction Period Interest will accrue as the Recipient receives disbursements. The total amount of Construction Period Interest owed by the Recipient will not be finalized until Completion of Construction.

(d) In lieu of, and not to exceed, interest otherwise due under this Agreement, the Recipient agrees to pay the following charge(s), as further set forth in Exhibit E:

- an Administrative Service Charge
- a Small Community Grant Fund Charge

B.2.4 [Reserved].

B.2.5 Obligation Absolute.

The obligation of the Recipient to make the Payments and other payments required to be made by it under this Agreement, from the Revenues and/or other amounts legally available to the Recipient therefor, is absolute and unconditional, and until such time as the Payments and Additional Payments have been paid in full, the Recipient must not discontinue or suspend any Payments or other payments required to be made by it hereunder when due, whether or not the Project, or any related part thereof is operating or operable or has been completed, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such Payments and other payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

B.2.6 Payment Timing.

(a) The Recipient must make the first annual Payment of the principal due under this Agreement, including capitalized Construction Period Interest, together with all interest accruing thereon, by the Payment Start Date indicated on the Cover Page. The Recipient must make annual Payments, due by [DFA to fill in day and month – match Payment Start Date], fully amortizing the total principal due under this Agreement, together with interest, by the Final Payment Date stated on the Cover Page. Payment calculations are based on a standard fully amortized assistance amount with equal annual payments. As a courtesy, the Division will provide a payment notice to the Recipient prior to the Payment due date, which will include the Payment amount due. Regardless of the delivery of a payment notice, the Recipient is responsible for timely payment of all amounts due.

(b) The remaining balance is the previous balance, plus the disbursements, plus the accrued interest on both, plus any Charge In Lieu of Interest, less the Payment. Payment calculations will be made prior to the Payment Start Date. Exhibit E is a payment schedule based on the provisions of this Exhibit and an estimated disbursement schedule. Actual payments will be based on actual disbursements. The Division will prepare any necessary changes to the payment schedule and send them to the Recipient.

(c) Upon Completion of Construction and submission of necessary reports by the Recipient, the Division will prepare an appropriate payment schedule and supply the same to the Recipient. The Division may amend this schedule as necessary to accurately reflect amounts due under this Agreement.

(d) The Recipient must make each Payment on or before the due date therefor. A ten (10) day grace period will be allowed, after which time a penalty in the amount of costs incurred by the State Water Board will be assessed for late payment. These costs may include, but are not limited to, lost interest earnings, staff time, bond debt service default penalties, if any, and other related costs. For purposes of penalty assessment, payment will be deemed to have been made if payment is deposited in the U.S. Mail within the grace period with postage prepaid and properly addressed. Any penalties assessed will not be added to the assistance amount balance, but will be treated as a separate account and obligation of the Recipient. The interest penalty will be assessed from the payment due date.

(e) The Recipient is obligated to make all payments required by this Agreement to the State Water Board, notwithstanding any individual default by the Members or others in the payment to the Recipient of fees, charges, taxes, assessments, tolls, Member Payments or other charges ("Charges") levied or imposed by the Recipient. The Recipient must provide for the punctual payment to the State Water Board of all amounts which become due under this Agreement and which are received from the Members or others in the payment to the Recipient. In the event of failure, neglect or refusal of any officer of the Recipient to levy or cause to be levied any Charge to provide payment by the Recipient under this Agreement, to enforce or to collect such Charge, or to pay over to the State Water Board any money collected on account of such Charge necessary to satisfy any amount due under this Agreement, the State Water Board may take such action in a court of competent jurisdiction as it deems necessary to compel the performance of all duties relating to the imposition or levying and collection of any of such Charges and the payment of the money collected therefrom to the State Water Board. Action taken pursuant hereto

shall not deprive the State Water Board of, or limit the application of, any other remedy provided by law or by this Agreement.

(f) Each Payment must be paid in lawful money of the United States of America by check or other acceptable form of payment set forth at www.waterboards.ca.gov/make_a_payment. The Recipient must pay Payments and Additional Payments from Revenues and/or other amounts legally available to the Recipient therefor.

B.2.7 Pledged Revenues.

B.2.7.1 Establishment of Revenue Fund and Reserve Fund.

In order to carry out the Project Bonds, the Recipient covenants that it shall establish and maintain or shall have established and maintained the Revenue Fund. All Revenues received shall be deposited when and as received in trust in the Revenue Fund. As required in this Exhibit, the Recipient must establish and maintain a Reserve Fund.

B.2.7.2 Pledge of Revenues, Revenue Fund, and Reserve Fund.

The Obligation hereunder shall be secured by a lien on and pledge of the Revenue Fund and Revenues on parity with the Parity Project Bonds, and by a first and exclusive lien on the Reserve Fund. The Recipient hereby pledges and grants such lien on and pledge of the Revenue Fund, Revenues, and the Reserve Fund to secure the Obligation, including payment of Payments and Additional Payments hereunder. The Revenue Fund, Revenues in the Revenue Fund, and the Reserve Fund shall be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Recipient.

B.2.7.3 Application and Purpose of the Revenue Fund.

Subject to the provisions of any outstanding Project Bond, money on deposit in the Revenue Fund shall be applied and used exclusively to pay all amounts due and payable with respect to the Project Bonds in order of priority, including the funding of the Reserve Fund and any other reserve funds or accounts established for Project Bonds. After making all payments hereinabove required to be made in each Fiscal Year, the Recipient may expend in such Fiscal Year any remaining money in the Revenue Fund for any lawful purpose of the Recipient.

B.2.8 No Prepayment.

Pursuant to State Water Board's Debt Management Policy, adopted on October 3, 2017, the Recipient may not prepay any portion of the principal and interest due under this Agreement without the written consent of the Deputy Director of the Division.

B.2.9 Reserve Fund.

Prior to Completion of Construction, the Recipient must establish a restricted Reserve Fund, held in its Revenue Fund, equal to one year's Debt Service on this Obligation. The Recipient shall require the Members to fund the Reserve Fund through Reserve Fund Contributions in the amount of each Member's Allocated Share. The Recipient must maintain the Reserve Fund throughout the term of this Agreement. The Reserve Fund is subject to lien and pledged as security for this Obligation, and its use is restricted to payment of this Obligation during the term of this Agreement.

B.3 COLLECTION OF MEMBER CONTRIBUTIONS AND MEMBER PAYMENTS.

(a) The Recipient must during each Fiscal Year, pursuant to the Payment Agreements, collect Member Payments from the Members which will be sufficient to generate Revenues in the amounts necessary to ensure that Revenues are equal to at least 100% of the Debt Service with respect to all outstanding Project Bonds in such Fiscal Year.

(b) The Operating JPA must during each Fiscal Year, pursuant to the Operating JPA Agreement, collect Member Contributions from the Members in amounts equaling at least the whole amount of Operating JPA Operations and Maintenance Costs.

(c) The Recipient may make adjustments from time to time in the amounts of Member Payments and Member Contributions as it deems necessary, but shall not reduce amounts of the Member Payments and Member Contributions then in effect unless the Revenues and Member Contributions from such reduction will at all times be sufficient to meet the requirements of this section.

B.4 ADDITIONAL PROJECT BONDS.

(a) The Recipient's future debt that is secured by Revenues pledged herein may not be senior to this Obligation.

(b) The Recipient may issue additional Parity Project Bonds or Subordinate Project Bonds only if all of the following conditions are met:

- i. No Event of Default (or no event with respect to which notice has been given and which, once all notice of grace periods have passed, would constitute an Event of Default) has occurred and is continuing;
- ii. Member Net Revenues for each of the Members in the most recent Fiscal Year, excluding transfers from a rate stabilization fund, if any, meet the ratio for rate covenants set forth in Exhibit D with respect to any outstanding and proposed additional obligations;
- iii. The Recipient is in compliance with the reserve fund requirement of this Obligation.

(c) The Recipient may not issue any future debt secured by Revenues pledged herein except for Project Bonds.

(d) For any additional Project Bonds issued by the Recipient, the Recipient shall make best efforts to synchronize the payment schedule for Debt Service on such additional Project Bonds with the payment schedule for this Obligation supplied by the Division pursuant to B.2.6(c) or in the event such schedule has not been supplied by the Division, the preliminary schedule provided by the State Water Board on the Effective Date of this Agreement included as Exhibit E to this Agreement.

B.5 NO LIENS.

The Recipient and Operating JPA must not make any pledge of or place any lien on the Project, Joint System, or Revenues except as otherwise provided or permitted by this Agreement.

EXHIBIT C – GENERAL & PROGRAMMATIC TERMS & CONDITIONS

C.1 REPRESENTATIONS & WARRANTIES.

The Recipient and Operating JPA represents, warrants, and commits to the following as of the Eligible Work Start Date and continuing thereafter for the term of this Agreement.

C.1.1 Application and General Recipient Commitments.

The Recipient and the Operating JPA have not made any untrue statement of a material fact in their application for this financial assistance, or omitted to state in their application a material fact that makes the statements in their application not misleading.

The Recipient and the Operating JPA agree to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents.

The Recipient and the Operating JPA agree to fulfill all assurances, declarations, representations, and commitments in their application, accompanying documents, and communications filed in support of its request for funding under this Agreement.

C.1.2 Authorization and Validity.

The execution and delivery of this Agreement, including all incorporated documents, has been duly authorized by the Recipient and the Operating JPA. Upon execution by all parties, this Agreement constitutes a valid and binding obligation of the Recipient and of the Operating JPA, enforceable in accordance with its terms, except as such enforcement may be limited by law.

C.1.3 No Violations.

The execution, delivery, and performance by the Recipient and the Operating JPA of this Agreement, including all incorporated documents, do not violate any provision of any law or regulation in effect as of the dates of execution of this Agreement by the Recipient and the Operating JPA, or result in any breach or default under any contract, obligation, indenture, or other instrument to which the Recipient or the Operating JPA is a party or by which the Recipient or the Operating JPA is bound as of the date of execution of this Agreement by the Recipient.

C.1.4 No Litigation.

There are, as of the dates of execution of this Agreement by the Recipient and the Operating JPA, no pending or, to the knowledge of the Recipient or the Operating JPA, threatened actions, claims, investigations, suits, or proceedings before any governmental authority, court, or administrative agency which materially affect, or, if resolved unfavorably to the Recipient or Operating JPA, would materially affect the financial condition or operations of the Recipient, the Operating JPA, the Joint System, any Member, any Member System, the Member Revenues, and/or the Project.

There are no proceedings, actions, or offers by a public entity to acquire by purchase or the power of eminent domain the Joint System or any of the real or personal property related to or necessary for the Project.

C.1.5 Property Rights.

The Operating JPA owns or has sufficient property rights in the Project property for the longer of the Useful Life or the term of this Agreement, either in fee simple or for a term of years that is not subject to third-party revocation during the Useful Life of the Project.

C.1.6 Solvency and Insurance.

None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of the Recipient or of the Operating JPA. The Recipient and the Operating JPA are solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. The Recipient and the Operating JPA are able to pay their debts as they become due. The Operating JPA maintains sufficient insurance coverage considering the scope of this Agreement, including, for example but not necessarily limited to, general liability, automobile liability, workers compensation and employer liability, professional liability.

C.1.7 Legal Status and Eligibility.

The Recipient and the Operating JPA are duly organized and existing and in good standing under the laws of the State of California. The Recipient and the Operating JPA must at all times maintain their current legal existence and preserve and keep in full force and effect their legal rights and authority. The Recipient and the Operating JPA acknowledge that changes to its legal or financial status may affect its eligibility for funding under this Agreement and commits to maintaining its eligibility. Within the preceding ten years, neither the Recipient or the Operating JPA has failed to demonstrate compliance with state or federal audit disallowances.

C.1.8 Financial Statements and Continuing Disclosure.

The financial statements of the Project Parties previously delivered to the State Water Board as of the date(s) set forth in such financial statements: (a) are materially complete and correct; (b) present fairly the financial condition of the relevant Project Party; and (c) have been prepared in accordance with GAAP. Since the date(s) of such financial statements, there has been no material adverse change in the financial condition of any Project Party, nor have any assets or properties reflected on such financial statements been sold, transferred, assigned, mortgaged, pledged or encumbered, except as previously disclosed in writing by the Recipient or the Operating JPA and approved in writing by the State Water Board.

The Recipient and the Operating JPA are each current in their continuing disclosure obligations associated with their material debt, if any.

C.1.9 Project Bonds and Member Obligations

(a) The Recipient and the Operating JPA have no Project Bonds other than those defined in this Agreement.

(b) To the best knowledge of the Recipient and the Operating JPA, no Member has any Member Obligations other than those defined in this Agreement.

C.1.10 No Other Material Obligations.

(a) The Recipient and the Operating JPA have no Material Obligations other than Project Bonds.

(b) To the best knowledge of the Recipient and the Operating JPA, no Member has any Member Material Obligations other than those defined in this Agreement.

C.1.11 Compliance with State Water Board Funding Agreements.

The Recipient and the Operating JPA represent that they are each in compliance with all State Water Board funding agreements to which they are a party.

C.2 DEFAULTS AND REMEDIES

In addition to any other remedy set forth in this Agreement, the following remedies are available under this Agreement.

C.2.1 Return of Funds; Acceleration; and Additional Payments.

Notwithstanding any other provision of this Agreement, if the Division determines that an Event of Default has occurred, the Recipient may be required, upon demand, immediately to do each of the following:

- i. return to the State Water Board any grant or principal forgiveness amounts received pursuant to this Agreement;
- ii. accelerate the payment of any principal owed under this Agreement, all of which shall be immediately due and payable;
- iii. pay interest at the highest legal rate on all of the foregoing; and
- iv. pay any Additional Payments.

C.2.2 [Reserved].

C.2.3 Administrative remedies.

Whenever the State Water Board determines that a Project Party, or a Project Party's contractor, consultant, employee, agent, assignee, or grantee has violated any requirement or term of the Agreement, the State Water Board may impose civil penalties in accordance with Water Code, section 13497. The State Water Board may impose civil liability administratively against the Project Party or the Project Party's consultant or contractor or other agent furnishing any information related to funds disbursed or costs claimed for reimbursement if the Project Party or the Project Party's consultant or contractor or other agent fails to personally attest that the information is true, accurate, and complete the best of one's knowledge. (Wat. Code, § 13498.) The State Water Board may impose civil liability administratively against any person who makes a misrepresentation in any submittal to the State Water Board, including, but not limited to, an application, report, certification, record, invoice, form, or other document that is submitted to the State Water Board relating to a financial assistance agreement. (Wat. Code, § 13499.)

C.2.4 Judicial remedies.

Whenever the State Water Board determines that an Event of Default shall have occurred, the State Water Board may enforce its rights under this Agreement by any judicial proceeding, whether at law or in equity. Without limiting the generality of the foregoing, the State Water Board may:

- i. by suit in equity, require the Recipient to account for amounts relating to this Agreement as if the Recipient were the trustee of an express trust;
- ii. by mandamus or other proceeding, compel the performance by the Recipient or the Operating JPA and any of their officers, agents, and employees of any duty under the law or of any obligation or covenant under this Agreement, including but not limited to causing the Members to impose and collect rates for the services of the Member Systems sufficient to meet all requirements of this Agreement; and
- iii. take whatever action at law or in equity as may appear necessary or desirable to the State Water Board to collect the Payments then due or thereafter to become due, or to enforce performance of any obligation or covenant of the Recipient or Operating JPA under this Agreement.

C.2.5 Termination.

Upon an Event of Default, the State Water Board may terminate this Agreement. Interest shall accrue on all amounts due at the highest legal rate of interest from the date that the State Water Board delivers notice of termination to the Recipient.

C.2.6 Damages for Breach of Tax-Exempt Status.

In the event that any breach of any of the provisions of this Agreement by the Recipient or the Operating JPA results in the loss of tax-exempt status for any bonds of the State or any subdivision or agency thereof, or if such breach results in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government by reason of any arbitrage profits, the Recipient must immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

C.2.7 Damages for Breach of Federal Conditions.

In the event that any breach of any of the provisions of this Agreement by the Recipient or the Operating JPA results in the failure of Project Funds to be used pursuant to the provisions of this Agreement, or if such breach results in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government, the Recipient must immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

C.2.8 Remedies and Limitations.

None of the remedies available to the State Water Board shall be exclusive of any other remedy, and each such remedy shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. The State Water Board may exercise any remedy, now or hereafter existing, without exhausting and without regard to any other remedy.

Any claim of the Recipient or Operating JPA is limited to the rights and remedies provided to the Recipient under this Agreement and is subject to the claims procedures provided to the Recipient under this Agreement.

C.2.9 Non-Waiver.

Nothing in this Agreement shall affect or impair the Recipient's Obligation to pay Payments as provided herein or shall affect or impair the right of the State Water Board to bring suit to enforce such payment. No delay or omission of the State Water Board in the exercise of any right arising upon an Event of Default shall impair any such right or be construed to be a waiver of any such Event of Default. The State Water Board may exercise from time to time and as often as shall be deemed expedient by the State Water Board, any remedy or right provided by law or pursuant to this Agreement.

C.2.10 Status Quo.

If any action to enforce any right or exercise any remedy shall be brought and either discontinued or determined adversely to the State Water Board, then the State Water Board shall be restored to its former position, rights and remedies as if no such action had been brought.

C.3 STANDARD CONDITIONS

C.3.1 Access, Inspection, and Public Records.

The Recipient and Operating JPA must ensure that the State Water Board, the Governor of the State, the USEPA, the USEPA's Office of Inspector General, any member of Congress, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of the Agreement. The Recipient and Operating JPA acknowledge that, except for a subset of information regarding archaeological records, the Project records and locations are public records, including but not limited to all of the submissions accompanying the application, all of the documents incorporated into this Agreement by reference, and all reports, reimbursement requests, and supporting documentation submitted hereunder.

C.3.2 Accounting and Auditing Standards; Financial Management Systems.

(a) The Recipient and Operating JPA must maintain project accounts according to GAAP as issued by the Governmental Accounting Standards Board (GASB) or its successor. The Recipient and Operating JPA must maintain GAAP-compliant project accounts, including GAAP requirements relating to the reporting of infrastructure assets.

(b) The Recipient and Operating JPA must comply with federal standards for financial management systems. The Recipient agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit preparation of reports required by the federal government and tracking of Project funds to a level of expenditure adequate to establish that such funds have not been used in violation of federal or state law or the terms of this Agreement. To the extent applicable, the Recipient and Operating JPA must comply with the provisions and requirements of the federal Single Audit Act (SAA) of 1984, 2 CFR part 200, subpart F, and 2 CFR section 200.302, and updates or revisions thereto, including but not limited to:

- Maintain an annual (Fiscal Year) accounting system and identify all expenditures of federal financial assistance;
- Conduct a SAA audit using an independent auditor in those Fiscal Years when expenditures of total federal financial assistance equal or exceed the applicable threshold in 2 CFR section 200.501, and submit the SAA audit to the Federal Audit Clearinghouse within the earlier of thirty (30) calendar days after receipt of the auditor's report(s) or nine (9) months of the end of the audit period;
- Notify the Division when a SAA audit has been conducted and submitted to the Federal Audit Clearinghouse;
- Notify and provide the Division with a copy of the SAA audit within thirty (30) days of completion of the audit;
- Inform the Division of findings and recommendations pertaining to federal financial assistance provided through the State Water Board contained in SAA audits conducted by the Recipient;
- Initiate corrective actions for audit reports with findings and recommendations that impact federal financial assistance provided through the State Water Board and notify the Division when corrective actions are complete.

(c) Without limitation of the requirement to maintain Project accounts in accordance with GAAP, the Recipient and Operating JPA must:

- i. Establish an official file for the Project which adequately documents all significant actions relative to the Project;
- ii. Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Project, including all assistance funds received under this Agreement;

- iii. Establish separate accounts which will adequately depict all income received which is attributable to the Project, specifically including any income attributable to assistance funds disbursed under this Agreement;
- iv. Establish an accounting system which will accurately depict final total costs of the Project, including both direct and Indirect Costs;
- v. Establish such accounts and maintain such records as may be necessary for the State to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
- vi. If Force Account is used by the Recipient or Operating JPA for any phase of the Project, other than for planning, design, and construction engineering and administration provided for by allowance, accounts will be established which reasonably document all employee hours charged to the Project and the associated tasks performed by each employee. Indirect Costs from Force Account are not eligible for funding.

C.3.3 Amendment.

No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by all of the Recipient, the Operating JPA, and the Deputy Director or designee.

Requests for amendments must be in writing and directed to the contact listed in Section 4 and to the Division's Chief of Loans and Grants Administration Section.

C.3.4 Assignability.

This Agreement is not assignable by the Recipient or Operating JPA, either in whole or in part, without the consent of the State Water Board in the form of a formal written amendment to this Agreement.

C.3.5 Audit.

(a) The Division may call for an audit of financial information relative to the Project if the Division determines that an audit is desirable to assure program integrity or if an audit becomes necessary because of state or federal requirements. If an audit is called for, the audit must be performed by a certified public accountant independent of the Recipient or Operating JPA and at the cost of the Recipient. The audit must be in the form required by the Division.

(b) Audit disallowances must be returned to the State Water Board.

C.3.6 Bonding.

Where contractors are used, the Operating JPA must not authorize construction to begin until each contractor has furnished a performance bond in favor of the Recipient in the following amounts: faithful performance (100%) of contract value; labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00.

C.3.7 Competitive Bidding

Recipient and Operating JPA must adhere to any applicable state law or local ordinance for competitive bidding and applicable labor laws.

C.3.8 Compliance with Applicable Laws, Rules, and Requirements.

The Recipient and Operating JPA must, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements. Without limitation of the foregoing, to the extent applicable, the Recipient and Operating JPA must:

- (a) Comply with the provisions of the adopted environmental mitigation plan, if any, for the term of this Agreement;
- (b) Comply with the Policy and Guidelines; and
- (c) Comply with and require compliance with the state and federal requirements set forth elsewhere in this Agreement.

C.3.9 Computer Software.

The Recipient and Operating JPA certify that they have appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

C.3.10 Conflict of Interest.

The Recipient and Operating JPA certify that their owners, officers, directors, agents, representatives, and employees are in compliance with applicable state and federal conflict of interest laws.

C.3.11 Continuous Use of Project; No Lease, Sale, Transfer of Ownership, or Disposal of Project.

The Recipient and Operating JPA agree that, except as provided in this Agreement, they will not abandon, substantially discontinue use of, lease, sell, transfer ownership of, or dispose of all or a significant part or portion of the Project during the Useful Life of the Project without prior written approval of the Division. Such approval may be conditioned as determined to be appropriate by the Division, including a condition requiring repayment of all disbursed Project Funds or all or any portion of all remaining funds covered by this Agreement together with accrued interest and any penalty assessments that may be due.

C.3.12 Data Management.

The Recipient and Operating JPA will undertake appropriate data management activities so that Project data can be incorporated into statewide data systems.

C.3.13 Disputes.

- (a) The Recipient or Operating JPA may appeal a staff decision within 30 days to the Deputy Director of the Division or designee, for a final Division decision. The Recipient or Operating JPA may appeal a final Division decision to the State Water Board within 30 days. The Office of the Chief Counsel of the State Water Board will prepare a summary of the dispute and make recommendations relative to its final resolution, which will be provided to the State Water Board's Executive Director and each State Water Board Member. Upon the motion of any State Water Board Member, the State Water Board will review and resolve the dispute in the manner determined by the State Water Board. Should the State Water Board determine not to review the final Division decision, this decision will represent a final agency action on the dispute.

(b) This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.

(c) Recipient and Operating JPA must continue with the responsibilities under this Agreement during any dispute.

(d) This section relating to disputes does not establish an exclusive procedure for resolving claims within the meaning of Government Code sections 930 and 930.4.

C.3.14 Drug-Free Workplace.

The Recipient certifies that it will provide a drug-free workplace in compliance with the Drug-Free Workplace Act (Gov. Code. §§ 8350-8357). The Recipient shall publish a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the Recipient's workplace and specifying the actions to be taken against employees for violations of the prohibition. The Recipient shall establish a drug-free awareness program to inform employees about the dangers of drug abuse in the workplace, the Recipient's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation and employee assistance programs, and penalties that may be imposed upon employees for drug abuse violations. The Recipient shall provide that every employee who works on the Project receives a copy of the Recipient's drug-free workplace policy statement and agrees to abide by the terms of the statement as a condition of employment on the Project.

C.3.15 Environmental Clearance.

(a) No work that is subject to CEQA or NEPA may proceed under this Agreement unless the State Water Board has provided environmental clearance. The State Water Board may require changes in the scope of work or additional mitigation as a condition to providing construction or implementation funding under this Agreement. Recipient or Operating JPA shall not perform any work subject to CEQA and/or NEPA before the State Water Board completes its environmental review and specifies any changes in scope or additional mitigation that may be required. Proceeding with work subject to CEQA and/or NEPA without approval by the State Water Board shall constitute a breach of a material provision of this Agreement.

(b) If this Project includes modification of a river or stream channel, the Recipient and Operating JPA must fully mitigate environmental impacts resulting from the modification. The Recipient or Operating JPA must provide documentation that the environmental impacts resulting from such modification will be fully mitigated considering all of the impacts of the modification and any mitigation, environmental enhancement, and environmental benefit resulting from the Project, and whether, on balance, any environmental enhancement or benefit equals or exceeds any negative environmental impacts of the Project.

C.3.16 Governing Law.

This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

C.3.17 Income Restrictions.

The Recipient and Operating JPA agree that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Recipient or Operating JPA under this Agreement must be paid by the Recipient to the State Water Board, to the extent that they are properly allocable to costs for which the Recipient has been reimbursed by the State Water Board under this Agreement.

C.3.18 Indemnification and State Reviews.

The parties agree that review or approval of Project plans and specifications by the State Water Board is for administrative purposes only, including conformity with application and eligibility criteria, and expressly not for the purposes of design defect review or construction feasibility, and does not relieve the Recipient and Operating JPA of its responsibility to properly plan, design, construct, operate, and maintain the Project. To the extent permitted by law, the Recipient and Operating JPA agree to indemnify, defend, and hold harmless the State Water Board, the Bank, and any trustee, and their officers, employees, and agents for the Bonds, if any (collectively, "Indemnified Persons"), against any loss or liability arising out of any claim or action brought against any Indemnified Persons from and against any and all losses, claims, damages, liabilities, or expenses, of every conceivable kind, character, and nature whatsoever arising out of, resulting from, or in any way connected with (1) the Joint System, any Member System or the Project or the conditions, occupancy, use, possession, conduct, or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the Joint System, any Member System or the Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the Toxic Substances Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the California Hazardous Waste Control Law, and California Water Code Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the Joint System, any Member System or the Project; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by any Project Party for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement, except those arising from the gross negligence or willful misconduct of the Indemnified Persons. The Recipient and Operating JPA must also provide for the defense and indemnification of the Indemnified Persons in any contractual provision extending indemnity to the Recipient or Operating JPA in any contract let for the performance of any work under this Agreement, and must cause the Indemnified Persons to be included within the scope of any provision for the indemnification and defense of the Recipient or Operating JPA in any contract or subcontract. To the fullest extent permitted by law, the Recipient and Operating JPA agree to pay and discharge any judgment or award entered or made against Indemnified Persons with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section survive the term of this Agreement.

C.3.19 Independent Actor.

The Recipient and Operating JPA, and the agents and employees thereof, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State Water Board.

C.3.20 Integration.

This Agreement constitutes the complete and final agreement between the parties. No oral or written understanding or agreement not incorporated in this Agreement shall be binding on any party.

C.3.21 Leveraging Covenants.

(a) Notwithstanding any other provision hereof, the Recipient and Operating JPA covenant and agree that they will comply with the Tax Covenants set forth in Exhibit F of this Agreement.

(b) The Recipient and Operating JPA covenant to furnish such financial, operating and other data pertaining to the Recipient or Operating JPA as may be requested by the State Water Board to: (i) enable the State Water Board to cause the issuance of Bonds and provide for security therefor; or (ii) enable any underwriter of Bonds issued for the benefit of the State Water Board to comply with Rule 15c2-12(b)(5).

(c) The Recipient and Operating JPA further covenant to provide, and to cause the Members to provide, the State Water Board with copies of all continuing disclosure documents or reports that are disclosed pursuant to (i) the Recipient's continuing disclosure undertaking or undertakings made in connection with any outstanding Project Bonds or Member Obligations, (ii) the terms of any outstanding Project Bonds or Member Obligations, or (iii) a voluntary disclosure of information related to an outstanding Project Bond or Member Obligation. The Recipient or Operating JPA must disclose such documents or reports to the State Water Board at the same time such documents or reports are submitted to any dissemination agent, trustee, nationally recognized municipal securities information repository, the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website or other person or entity.

C.3.22 No Discrimination.

(a) The Recipient and Operating JPA must comply with Government Code section 11135 and the implementing regulations (Cal. Code Regs, tit. 2, § 14000 et seq.), including, but not limited to, ensuring that no person is unlawfully denied full and equal access to the benefits of, or unlawfully subjected to discrimination in the operation of, the Project or Joint System on the basis of sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, or sexual orientation as such terms are defined under California law, for as long as the Recipient retains ownership or possession of the Project.

(b) If Project Funds are used to acquire or improve real property, the Recipient or Operating JPA must include a covenant of nondiscrimination running with the land in the instrument effecting or recording the transfer of such real property.

(c) The Recipient and Operating JPA must comply with the federal American with Disabilities Act of 1990 and implementing regulations as required by Government Code section 11135(b).

(d) The Recipient and Operating JPA's obligations under this section shall survive the term of this Agreement.

(e) During the performance of this Agreement, Recipient and Operating JPA and their contractors and subcontractors must not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, denial of family care leave, or genetic information, gender, gender identity, gender expression, or military and veteran status.

(f) The Recipient, the Operating JPA, their contractors, and subcontractors must ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.

(g) The Recipient, the Operating JPA, their contractors, and subcontractors must comply with the provisions of the Fair Employment and Housing Act and the applicable regulations promulgated thereunder. (Gov. Code, §12990, subds. (a)-(f) et seq.; Cal. Code Regs., tit. 2, § 7285 et seq.) Such regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

(h) The Recipient, the Operating JPA, their contractors, and subcontractors must comply with all applicable federal civil rights regulations, including statutory and national policy requirements. (2 CFR § 200.300).

(i) The Recipient, the Operating JPA, their contractors, and subcontractors must give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

(j) The Recipient and the Operating JPA must include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

C.3.23 No Third Party Rights.

The parties to this Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or of any duty, covenant, obligation, or undertaking established herein.

C.3.24 No Obligation of the State.

Any obligation of the State Water Board herein contained shall not be an obligation, debt, or liability of the State and any such obligation shall be payable solely out of the moneys encumbered pursuant to this Agreement.

C.3.25 Notice.

Upon the occurrence of any of the following events, the Recipient or Operating JPA must provide notice as set forth below.

- (a) Within 24 hours of the following, the Recipient or Operating JPA must notify the Division by phone at (916) 327-9978 and by email to [PM email address and senior email address] and CleanWaterSRF@waterboards.ca.gov of:
 - i. The seizure of, or levy on, any Revenues securing this Agreement or any Member Revenues securing a Payment Agreement;
 - ii. Any discovery of any potential tribal cultural resource, archaeological or historical resource, or human remains in the Project area (also notify the Division's Senior Cultural Resources Officer, at CulturalResources@waterboards.ca.gov). Should a potential tribal cultural resource or archaeological or historical resource be discovered during construction or Project implementation, the Operating JPA must ensure that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the Division has determined what actions should be taken to protect and preserve the resource. The Operating JPA must implement appropriate actions as directed by the Division. If there are any applicable provisions of a mitigation, monitoring and reporting program adopted for the Project, the Operating JPA shall comply with such provisions. In the event of the discovery of human remains during construction of the Project, the Operating JPA shall cease construction and take other action required by any applicable laws, which may include but are not limited to Health and Safety Code, section 7050.5 and Public Resources Code, section 5097.98..
- (b) [reserved]

(c) Within five (5) business days, the Recipient or Operating JPA must notify the Division by phone at (916) 327-9978; by email to Lance.Reese@waterboards.ca.gov [PM email address and senior email address] and CleanWaterSRF@waterboards.ca.gov and by mail to the contact address set forth in Section 4 of this Agreement of the occurrence of any of the following events:

- i. Bankruptcy, insolvency, receivership or similar event of the Recipient, the Operating JPA, or of any Member, or actions taken in anticipation of any of the foregoing;
- ii. Change of ownership of the Project or the Joint System or change of management or service contracts, if any, for operation of the Joint System;
- iii. Loss, theft, damage, or impairment to Project, the Revenues, the Joint System, any Member Revenues or any Member System;
- iv. Failure to meet any debt service coverage test in Exhibit B or Exhibit D of this Agreement;
- v. Draws on the Reserve Fund;
- vi. Listed Events and Events of Default, except as otherwise set forth in this section;
- vii. Failure to observe or perform any covenant or comply with any condition in this Agreement;
- viii. An offer from a public entity to purchase the Project, the Joint System, or any Member System or any portion thereof, or any of the real or personal property related to or necessary for the Project;
- ix. A proceeding or action by a public entity to acquire the Project, the Joint System, or any Member System by power of eminent domain;
- x. Incurrence of a Project Bond or other Material Obligation by the Recipient, or of a Member Obligation by any Member; or
- xi. A default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Project Bond or other Material Obligation of the Recipient or of a Member Obligation of any Member, any of which reflect financial difficulties.

(d) Within ten (10) business days, the Recipient or Operating JPA must notify the Division by phone at (916) 327-9978, by email to [PM email address and senior email address] and CleanWaterSRF@waterboards.ca.gov DrinkingWaterSRF@waterboards.ca.gov, and by mail to the contact address set forth in Section 4 of this Agreement of the following events:

- i. Material defaults on Material Obligations or Member Material Obligations, other than this Obligation;
- ii. Unscheduled draws by any Project Party on material debt service reserves or credit enhancements, reflecting financial difficulties;
- iii. Substitution of credit or liquidity providers, if any or their failure to perform;
- iv. Any litigation pending or threatened with respect to the Project, the Operating JPA's technical, managerial or financial capacity to operate the Joint System, any Member's technical, managerial or financial capacity to operate any Member System the continued existence of any Project Party, or any judgment or court order relating to such litigation that has a significant effect on the Project, the Joint System, or any Member System;
- v. Circulation of a petition to repeal, reduce, or otherwise challenge any Member's rates for services of any Member System;
- vi. Consideration of dissolution, or disincorporation, or any other event that could materially impair the Revenues or any Member Revenues;
- vii. Adverse tax opinions, the issuance by the Internal Revenue Service or proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-

- TEB) or other material notices of determinations with respect to the tax status of any tax-exempt bonds of any Project Party;
- viii. Rating changes on outstanding Project Bonds or Member Obligations, if any;
 - ix. Enforcement actions by or brought on behalf of the State Water Board or Regional Water Board against any Project Party; or
 - x. Any investigation by the District Attorney, California State Auditor, Bureau of State Audits, USEPA's Office of Inspector General, the Internal Revenue Service, Securities and Exchange Commission, a grand jury, or any other state or federal agency, relating to the financial management, accounting procedures, or internal fiscal controls of any Project Party;
- (e) The Recipient or Operating JPA must notify the Division promptly by phone at (916) 327-9978, by email to [PM email address and senior email address] and CleanWaterSRF@waterboards.ca.gov, and by mail to the contact address set forth in Section 4 of this Agreement of any of the following events:
- i. The discovery of a false statement of fact or representation made in this Agreement or in the application to the Division for this financial assistance, or in any certification, report, or request for reimbursement made pursuant to this Agreement, by any Project Party or its employees, agents, or contractors;
 - ii. Any substantial change in scope of the Project. The Recipient and Operating JPA must not undertake any substantial change in the scope of the Project until prompt written notice of the proposed change has been provided to the Division and the Division has given written approval for the change;
 - iii. Cessation of all major construction work on the Project where such cessation of work is expected to or does extend for a period of thirty (30) days or more;
 - iv. Any circumstance, combination of circumstances, or condition, which is expected to or does delay Completion of Construction for a period of ninety (90) days or more;
 - v. Any disputes related to the Project that may affect the Recipient or Operating JPA's ability to comply with the terms of this Agreement;
 - vi. Discovery of any unexpected endangered or threatened species, as defined in the federal Endangered Species Act. Should a federally protected species be unexpectedly encountered during construction of the Project, the Operating JPA agrees to promptly notify the Division. This notification is in addition to the Recipient and Operating JPA's obligations under the federal Endangered Species Act;
 - vii. Any Project monitoring, demonstration, or other implementation activities required in Exhibit A or Exhibit D of this Agreement, if any;
 - viii. Any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by state and federal representatives with at least ten (10) working days' notice to the Division;
 - ix. Any allegation of research misconduct involving research activities that are supported in whole or in part with USEPA funds under this Project, as required by Exhibit C.4.3(xxvii);
 - x. Any events requiring notice to the Division pursuant to the provisions of this Agreement;
 - xi. Completion of Construction of the Project, and actual Project Completion;
 - xii. The award of the prime construction contract for the Project;
 - xiii. Initiation of construction of the Project; or
 - xiv. Consideration of any amendment to the Payment Agreement, Operating JPA Agreement, or PFA Agreement which may have a material impact on the ability

of any Project Party to meet any obligation or perform any covenant under this Agreement or any Payment Agreement.

C.3.26 Operation and Maintenance; Insurance.

The Operating JPA agrees to sufficiently and properly staff, operate and maintain all portions of the Joint System during the Useful Life of the Project in accordance with all applicable state and federal laws, rules, and regulations.

The Operating JPA will procure and maintain or cause to be maintained insurance on the Joint System with responsible insurers, or as part of a reasonable system of self-insurance, in such amounts and against such risks (including damage to or destruction of the Joint System) as are usually covered in connection with systems similar to the Joint System. Such insurance may be maintained by a self-insurance plan so long as such plan provides for (i) the establishment by the Recipient of a separate segregated self-insurance fund in an amount determined (initially and on at least an annual basis) by an independent insurance consultant experienced in the field of risk management employing accepted actuarial techniques and (ii) the establishment and maintenance of a claims processing and risk management program.

In the event of any damage to or destruction of the Joint System caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Joint System. The Operating JPA must begin such reconstruction, repair or replacement as expeditiously as possible, and must pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same must be completed and the Joint System must be free and clear of all claims and liens. If such net proceeds are insufficient to reconstruct, repair, or restore the Joint System to the extent necessary to enable the Operating JPA to pay all remaining unpaid principal portions of the Payments, if any, in accordance with the terms of this Agreement, the Operating JPA must provide additional funds to restore or replace the damaged portions of the Joint System.

Operating JPA agrees that for any policy of insurance concerning or covering the construction of the Project, it will cause, and will require its contractors and subcontractors to cause, a certificate of insurance to be issued showing the State Water Board, its officers, agents, employees, and servants as additional insured; and must provide the Division with a copy of all such certificates prior to the commencement of construction of the Project.

C.3.27 Permits, Subcontracting, and Remedies.

Operating JPA must procure all permits, licenses and other authorizations necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Signed copies of any such permits or licenses must be submitted to the Division before any construction begins.

The Operating JPA must not contract or allow subcontracting with excluded parties. The Operating JPA must not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which this funding is authorized. For any work related to this Agreement, the Operating JPA must not contract with any individual or organization on the State Water Board's List of Disqualified Businesses and Persons that is identified as debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which funding under this Agreement is authorized. The State Water Board's List of Disqualified Businesses and Persons is located at

http://www.waterboards.ca.gov/water_issues/programs/enforcement/fwa/dbp.shtml

C.3.28 Professionals.

The Recipient and Operating JPA agree that only licensed professionals will be used to perform services under this Agreement where such services are called for. All technical reports required pursuant to this Agreement that involve planning, investigation, evaluation, design, or other work requiring interpretation and proper application of engineering, architectural, or geologic sciences, shall be prepared by or under the direction of persons registered to practice in California pursuant to Business and Professions Code, sections 5536.1, 6735, 7835, and 7835.1. To demonstrate compliance with California Code of Regulations, title 16, sections 415 and 3065, all technical reports must contain a statement of the qualifications of the responsible registered professional(s). As required by these laws, completed technical reports must bear the signature(s) and seal(s) of the registered professional(s) in a manner such that all work can be clearly attributed to the professional responsible for the work.

C.3.29 Prevailing Wages.

The Operating JPA agrees to be bound by all applicable provisions of State Labor Code regarding prevailing wages. The Operating JPA must monitor all agreements subject to reimbursement from this Agreement to ensure that the prevailing wage provisions of the State Labor Code are being met.

In addition, the Operating JPA agrees to comply with the Davis-Bacon provisions incorporated by reference in Section 3 of this Agreement.

C.3.30 Public Funding.

This Project is publicly funded. Any service provider or contractor with which the Recipient or Operating JPA contracts must not have any role or relationship with the Recipient or Operating JPA, that, in effect, substantially limits the Operating JPA's ability to exercise its rights, including cancellation rights, under the contract, based on all the facts and circumstances.

C.3.31 Recipient and Operating JPA's Responsibility for Work.

The Recipient and Operating JPA shall be responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Recipient and Operating JPA shall be responsible for responding to any and all disputes arising out of its contracts for work on the Project. The State Water Board will not mediate disputes between the Recipient or Operating JPA and any other entity concerning responsibility for performance of work.

C.3.32 Records Retention.

The Recipient and Operating JPA must maintain separate books, records and other material relative to the Project, including compliance documentation. The Operating JPA must also retain such books, records, and other material for itself and for each contractor or subcontractor who performed or performs work on this project for a minimum of thirty-six (36) years after Completion of Construction. The Recipient and Operating JPA must require that such books, records, and other material are subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by the State Water Board, the California State Auditor, the Bureau of State Audits, the USEPA, the USEPA's Office of Inspector General, the Internal Revenue Service, the Governor, or any authorized representatives of the aforementioned. The Recipient and Operating JPA must allow and must require their contractors to allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Recipient and Operating JPA agree to include

a similar duty regarding audit, interviews, and records retention in any contract or subcontract related to the performance of this Agreement. The provisions of this section survive the term of this Agreement.

C.3.33 Related Litigation.

Under no circumstances may the Recipient or Operating JPA use funds from any reimbursement under this Agreement to pay costs associated with any litigation the Recipient or Operating JPA pursues against the State Water Board or any Regional Water Quality Control Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Recipient agrees to repay all of the disbursed funds plus interest in the event that Recipient does not complete the project.

C.3.34 Rights in Data.

The Recipient and Operating JPA agree that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Agreement are subject to the rights of the State as set forth in this section. The State shall have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Recipient or Operating JPA may copyright the same, except that, as to any work which is copyrighted by the Recipient or Operating JPA, the State reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so, and to receive electronic copies from the Recipient or Operating JPA upon request.

C.3.35 State Water Board Action; Costs and Attorney Fees.

Any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State Water Board as a result of breach of this Agreement by the Recipient or the Operating JPA, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Agreement by the State Water Board shall not preclude the State Water Board from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Agreement, it is agreed that each party shall bear its own costs and attorney fees.

C.3.36 Timeliness.

Time is of the essence in this Agreement.

C.3.37 Unenforceable Provision.

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

C.3.38 Venue.

Any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California.

C.3.39 Waiver and Rights of the State Water Board.

Any waiver of rights by the State Water Board with respect to a default or other matter arising under this Agreement at any time shall not be considered a waiver of rights with respect to any other default or

matter. Any rights and remedies of the State Water Board provided for in this Agreement are in addition to any other rights and remedies provided by law.

C.4 MISCELLANEOUS STATE AND FEDERAL REQUIREMENTS

C.4.1 [Reserved]

C.4.2 State Cross-Cutters.

Recipient and Operating JPA represent that, as applicable, they comply and covenant to maintain compliance with the following with respect to all Project Costs for the term of this Agreement:

- i. The California Environmental Quality Act (CEQA), as set forth in Public Resources Code 21000 et seq. and in the CEQA Guidelines at Title 14, Division 6, Chapter 3, Section 15000 et seq.
- ii. Water Conservation requirements, including regulations in Division 3 of Title 23 of the California Code of Regulations.
- iii. Monthly Water Diversion Reporting requirements, including requirements set forth in Water Code section 5103.
- iv. Public Works Contractor Registration with Department of Industrial Relations requirements, including requirements set forth in Sections 1725.5 and 1771.1 of the Labor Code.
- v. Volumetric Pricing & Water Meters requirements, including the requirements of Water Code sections 526 and 527.
- vi. Urban Water Management Plan requirements, including the Urban Water Management Planning Act (Water Code, § 10610 et seq.).
- vii. Urban Water Demand Management requirements, including the requirements of Section 10608.56 of the Water Code.
- viii. Delta Plan Consistency Findings requirements, including the requirements of Water Code section 85225 and California Code of Regulations, title 23, section 5002.
- ix. Agricultural Water Management Plan Consistency requirements, including the requirements of Water Code section 10852.
- x. Charter City Project Labor Requirements, including the requirements of Labor Code section 1782 and Public Contract Code section 2503.
- xi. The Recipient agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with directives or orders issued pursuant to Division 7 of the Water Code.
- xii. Regulations in Division 4 of Title 22 of the California Code of Regulations, including but not limited to California Waterworks Standards in Chapter 16, and Lead and Copper regulations in Chapter 17.5.

C.4.3 Federal Requirements and Cross-Cutters for SRF Funding.

The Recipient and Operating JPA acknowledge, warrant compliance with, and covenant to continuing compliance with the following federal terms and conditions with respect to all Project Costs for the term of this Agreement and for the Useful Life of the Project:

- i. Unless the Recipient or Operating JPA has obtained a waiver from USEPA on file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient and Operating JPA shall not purchase "iron and steel products" produced outside of the United States on this Project. Unless the Recipient or Operating JPA has obtained a waiver from USEPA on file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient and Operating JPA hereby certify that all "iron and steel products" used in the Project were or will be produced in the United States. For purposes of this section, the term "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. "Steel" means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.
- ii. The Recipient and Operating JPA acknowledge that funds received under this Agreement are subject to the Build America Buy America (BABA) requirements of Public Law 117-58 (the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law (BIL), signed into law on November 15, 2021), which are in addition to "iron and steel products" requirements described in section C.4.3 (i) above. Specifically, unless (1) the Recipient or Operating JPA has requested and obtained a waiver from USEPA on file with the State Water Board pertaining to the Project or the Project is otherwise covered by a general applicability waiver, as confirmed in writing by the State Water Board; or (2) the State Water Board and, to the extent the Project is co-funded by any other agency using federal funds subject to BABA requirements, each such agency, has advised the Recipient or Operating JPA in writing that the BABA requirements are not applicable to the Project, the Recipient and Operating JPA shall ensure and certify that, as these terms are defined within and made applicable by Public Law 117-58:
 - (a) all iron and steel used in the Project are produced in the United States;
 - (b) the manufactured products used in the Project are produced in the United States; and
 - (c) the construction materials used in the Project are produced in the United States.The Recipient and Operating JPA must comply and require its contractors and subcontractors to comply with all applicable BABA requirements and reporting and must inform the State Water Board immediately of any information regarding a violation of the foregoing.
- iii. The Recipient and Operating JPA must include in full the Wage Rate Requirements (Davis-Bacon) language incorporated by reference in Section 3 of this Agreement in all construction contracts and subcontracts.
- iv. The Recipient and Operating JPA must comply with the signage requirements set forth in Exhibit A.
- v. The Recipient or Operating JPA shall notify the State Water Board and the USEPA contact of public or media events publicizing the accomplishment of significant events related to this Project and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

- vi. The Recipient and Operating JPA shall comply with applicable USEPA general terms and conditions found at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2024-or-later> .
- vii. The Recipient may not receive funding under this Agreement unless it has provided its Unique Entity Identifier, assigned by the System for Award Management, to the State Water Board.
- viii. The Recipient and the Operating JPA represent and warrant that they and their principals are not excluded or disqualified from participating in this transaction as such terms are defined in Parts 180 and 1532 of Title 2 of the Code of Federal Regulations (2 CFR). If the Recipient or Operating JPA is excluded after execution of this Agreement, the Recipient or Operating JPA shall notify the Division within ten (10) days and shall inform the Division of the Recipient's or Operating JPA's exclusion in any request for amendment of this Agreement. The Recipient and Operating JPA shall comply with Subpart C of Part 180 of 2 CFR, as supplemented by Subpart C of Part 1532 of 2 CFR. Such compliance is a condition precedent to the State Water Board's performance of its obligations under this Agreement. When entering into a covered transaction as defined in Parts 180 and 1532 of 2 CFR, the Recipient or Operating JPA shall require the other party to the covered transaction to comply with Subpart C of Part 180 of 2 CFR, as supplemented by Subpart C of Part 1532 of 2 CFR.
- ix. To the extent applicable, the Recipient and Operating JPA shall disclose to the State Water Board any potential conflict of interest consistent with USEPA's Final Financial Assistance Conflict of Interest Policy at <https://www.epa.gov/grants/epas-final-financial-assistance-conflict-interest-policy>. A conflict of interest may result in disallowance of costs.
- x. USEPA and the State Water Board have the right to reproduce, publish, use and authorize others to reproduce, publish and use copyrighted works or other data developed under this assistance agreement. This includes the right to require the Recipient and Operating JPA to make such works available through agency-designated public access repositories.
- xi. Where an invention is made with Project Funds, USEPA and the State Water Board retain the right to a worldwide, nonexclusive, nontransferable, irrevocable, paid-up license to practice the invention owned by the Recipient or the Operating JPA. The Recipient or Operating JPA must utilize the Interagency Edison extramural invention reporting system at <https://www.nist.gov/iedison> and shall notify the Division when an invention report, patent report, or utilization report is filed.
- xii. The Recipient and Operating JPA agree that any reports, documents, publications or other materials developed for public distribution supported by this Agreement shall contain the Disclosure statement set forth in Exhibit A.
- xiii. The Recipient and Operating JPA acknowledge that they are encouraged to follow guidelines established under Section 508 of the Rehabilitation Act, codified at 36 CFR Part 1194, with respect to enabling individuals with disabilities to participate in its programs supported by this Project.
- xiv. The Recipient and the Operating JPA, and the employees, contractors and subcontractors of each and their employees warrant that it will not engage in severe forms of trafficking in persons, procure a commercial sex act during the term of this Agreement, use forced labor in the performance of this Agreement, or engage in acts that directly support or advance trafficking in persons, including (i) destroying, concealing, removing, confiscating, or otherwise denying an employee access to that employee's identity or immigration documents; (ii) failing to provide return transportation or pay for return transportation costs to an employee from a country outside the United States to the country from which the employee was recruited upon the end of

employment if request by the employee, unless exempted from the requirement to provide or pay for such return transportation by the Federal department or agency providing or entering into the grant or cooperative agreements or the employee is a victim of human trafficking seeking victim services or legal redress in the country of employment or a witness in a human trafficking enforcement action; (iii) soliciting a person for the purpose of employment, or offering employment, by means of materially false or fraudulent pretenses, representations, or promises regarding that employment; (iv) charging recruited employees a placement or recruitment fee; or (v) providing or arranging housing that fails to meet the host country's housing and safety standards. The Recipient and Operating JPA must include this provision in their contracts and subcontracts under this Agreement. The Recipient or Operating JPA must inform the State Water Board immediately of any information regarding a violation of the foregoing. The Recipient and Operating JPA understand that failure to comply with this provision may subject the State Water Board to loss of federal funds. The Recipient and Operating JPA agree to compensate the State Water Board for any such funds lost due to its failure to comply with this condition, or the failure of its contractors or subcontractors to comply with this condition. The State Water Board may unilaterally terminate this Agreement if the Recipient that is a private entity is determined to have violated the foregoing.

- xv. The Recipient and Operating JPA certify to the best of their knowledge and belief that:
- a. No federal appropriated funds have been paid or will be paid, by or on behalf of the Recipient or the Operating JPA, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with this Agreement, the Recipient or Operating JPA shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions, and notify the State Water Board.

The Recipient and Operating JPA shall require this certification from all parties to any contract or agreement that the Recipient or Operating JPA enters into and under which the Recipient or Operating JPA incurs costs for which it seeks reimbursements under this Agreement.

- xvi. The Recipient and Operating JPA must comply with the following federal non-discrimination requirements:
- a. Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color, and national origin, including limited English proficiency (LEP).
 - b. Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against persons with disabilities.
 - c. The Age Discrimination Act of 1975, which prohibits age discrimination.
 - d. Section 13 of the Federal Water Pollution Control Act Amendments of 1972, which prohibits discrimination on the basis of sex.
 - e. 40 CFR Part 7, as it relates to the foregoing.
- xvii. If the Project relates to construction of a publicly owned treatment works, where the Recipient or Operating JPA contracts for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or architectural related services, the Recipient or Operating JPA shall ensure that any such contract is negotiated in the same manner as a contract for architectural and engineering services is negotiated under chapter

11 of title 40, United States Code, or an equivalent State qualifications-based requirement as determined by the State Water Board.

- xviii. If the Project relates to construction of a publicly owned treatment works, the Recipient and Operating JPA certify that they have developed and are implementing a fiscal sustainability plan for the Project, except as set forth in Exhibit D, that includes an inventory of critical assets that are a part of the Project, an evaluation of the condition and performance of inventoried assets or asset groupings, a certification that the Recipient or Operating JPA has evaluated and will be implementing water and energy conservation efforts as part of the plan, and a plan for maintaining, repairing, and, as necessary, replacing the Project and a plan for funding such activities.
- xix.
- xx. Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans; 42 USC § 7606; 33 USC § 1368. Except where the purpose of this Agreement is to remedy the cause of the violation, the Recipient and Operating JPA may not procure goods, services, or materials from suppliers excluded under the federal System for Award Management: sam.gov
- xxi. Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended; 42 USC §§4601-4655. The Recipient and Operating JPA must comply with the Act's implementing regulations at 49 CFR 24.101 through 24.105.
- xxii. The Recipient and Operating JPA agree that if their network or information system is connected to USEPA networks to transfer data using systems other than the Environmental Information Exchange Network or USEPA's Central Data Exchange, they will ensure that any connections are secure. For purposes of this subsection, a connection is defined as a dedicated persistent interface between a USEPA information technology system and an external information technology system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition. If the Recipient's or Operating JPA's connections as defined above do not go through the Environmental Information Exchange Network or USEPA's Central Data Exchange, the Recipient and Operating JPA agree to contact the USEPA Project Officer and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet USEPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the Recipient or Operating JPA into systems operated and used by USEPA's regulatory programs for the submission of reporting and/or compliance data.
- xxiii. All geospatial data created pursuant to this Agreement that is submitted to the State Water Board for use by USEPA or that is submitted directly to USEPA must be consistent with Federal Geographic Data Committee endorsed standards. Information on these standards may be found at www.fgdc.gov
- xxiv. If the Recipient or Operating JPA is a water system that serves 500 or fewer persons, the Recipient represents that it has considered publicly-owned wells as an alternative drinking water supply.
- xxv. The Recipient and Operating JPA each represent that it is not a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and it is not a

corporation that was convicted of a felony criminal violation under a Federal law within the preceding 24 months.

xxvi. The Recipient and Operating JPA agree to immediately notify the Project Manager in writing about any allegation of research misconduct involving research activities that are supported in whole or in part with USEPA funds under this Project, including fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results, or ordering, advising, or suggesting that subordinates engage in research misconduct.

xxvii. The Recipient and Operating JPA agree to comply with, and require all contractors and subcontractors to comply with, USEPA's Scientific Integrity Policy, available at <https://www.epa.gov/osa/policy-epa-scientific-integrity>, when conducting, supervising, and communicating science and when using or applying the results of science. For purposes of this condition scientific activities include, but are not limited to, computer modelling, economic analysis, field sampling, laboratory experimentation, demonstrating new technology, statistical analysis, and writing a review article on a scientific issue.

The Recipient and Operating JPA shall not suppress, alter, or otherwise impede the timely release of scientific findings or conclusions; intimidate or coerce scientists to alter scientific data, findings, or professional opinions or exert non-scientific influence on scientific advisory boards; knowingly misrepresent, exaggerate, or downplay areas of scientific uncertainty; or otherwise violate the USEPA's Scientific Integrity Policy. The Recipient and Operating JPA must refrain from acts of research misconduct, including publication or reporting, as described in USEPA's Policy and Procedures for Addressing Research Misconduct, Section 9.C, and must ensure scientific findings are generated and disseminated in a timely and transparent manner, including scientific research performed by contractors and subcontractors.

xxviii. The Recipient and Operating JPA agree to comply with the Animal Welfare Act of 1966 (7 USC 2131-2156). Recipient and Operating JPA also agree to abide by the "U.S. Government Principles for the Utilization and Care of Vertebrate Animals used in Testing, Research, and Training," available at <http://grants.nih.gov/grants/olaw/references/phspol.htm#USGovPrinciples>.

xxix. The Recipient and Operating JPA certify that no Project Funds will be used on:

- a. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities), telecommunications or video surveillance equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
- b. Telecommunications or video surveillance services provided by such entities or using such equipment;
- c. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country;
- d. Systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system; or
- e. Other telecommunications or video surveillance services or equipment in violation of [2 CFR 200.216](#).

xxx. The Recipient agrees to comply with all applicable federal environmental cross-cutters, including the following:

- a. Archeological and Historic Preservation Act (16 U.S.C. § 469; 54 U.S.C. §§ 312501-312508)
- b. Clean Air Act (42 U.S.C. § 7401)
- c. Coastal Barriers Resources Act (16 U.S.C. § 3501 et seq.)
- d. Coastal Zone Management Act (16 U.S.C. § 1451 et seq.)
- e. Endangered Species Act (16 U.S.C. § 1531 et seq.)
- f. Farmland Protection Policy Act (7 U.S.C. § 4201 et seq.)
- g. Floodplain Management [Executive Order 11988 (1977), as amended by Executive Order No. 12148 (1979)]
- h. Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. § 1801 et seq.)
- i. National Historic Preservation Act (54 U.S.C. §§ 300101 et seq.)
- j. Sole Source Aquifer, section 1424(e) of Safe Drinking Water Act, 42 U.S.C. 300h-3(e)
- k. Wetlands Protection – Executive Order No. 11990 (1977), as amended by Executive Order No. 12608 (1997)
- l. Wild and Scenic Rivers Act (16 U.S.C. § 1271 et seq.)

EXHIBIT D – SPECIAL CONDITIONS

D.1 Payment Agreements.

D.1.1 Execution and Delivery of the Payment Agreements.

As a condition precedent of this Agreement, the Recipient and Operating JPA shall enter into Payment Agreements with each Member, providing for each Member's payment to the Recipient of its Allocated Share of Payments, Additional Payments, Reserve Fund Contributions, Member Contributions, and all other amounts required to be paid under this Agreement, and all Project Bond Payments. Prior to execution of this Agreement, the Recipient shall deliver executed copies of these Payment Agreements to the Division, which are to be attached as Exhibits to this Agreement. The Payment Agreements so executed and delivered must be satisfactory to the State Water Board's counsel and in accordance with the requirements for the Payment Agreements detailed in this Exhibit D, in addition to any other terms required elsewhere in this Agreement to be included in the Payment Agreements.

D.1.2 Payment Provisions.

(a) Each Payment Agreement must require that the Member must pay to the Recipient its Allocated Share of any and all amounts the Recipient or the Operating JPA is obligated to pay to the State Water Board under this Agreement, including but not limited to all Payments, Additional Payments, damages for breach of tax-exempt status, and damages for breach of federal conditions, and all Project Bond Payments. Each Payment Agreement must also require that the Member must make Reserve Fund Contributions to the Recipient and make Member Contributions to the Operating JPA sufficient for the Recipient and Operating JPA to meet their obligations under this Agreement.

(b) Each Member must pay its Allocated Share of any amounts due under this Agreement to the Recipient no later than five (5) business days prior to the date on which such amounts become due and payable by the Recipient. If any amount under this Agreement becomes due and payable by the Recipient immediately upon the occurrence of an event, each Member's Allocated Share of such amount shall automatically become immediately due and payable to the Recipient without further action by the Recipient or the State Water Board, and the Recipient shall not be entitled to any additional grace period for the collection of the Allocated Shares of such amount from the Members.

(c) Each Member shall be entitled to pay its Allocated Share of Project Bond Payments directly to a trustee or holder of Project Bonds other than the State Water Board as may be provided in the documentation for such Project Bonds; provided, however that the Member must give prompt notice of such payments to the Division as required by D.1.8(d)(iii) below. Such payments are Revenues within the meaning of this Agreement and are subject to the lien and pledge of this Agreement notwithstanding that they are not received by the Recipient.

(d) Each Member is obligated to pay its Allocated Share of all payments required by this Agreement or its Payment Agreement, notwithstanding any individual default by its constituents or others in the payment to the Member of fees, charges, taxes, assessments, tolls or other charges ("Member Charges") levied or imposed by the Member. Each Member must provide for the punctual payment to the Recipient of all amounts which become due under its Payment Agreement and which are received from constituents or others in the payment to the Member. In the event of failure, neglect or refusal of any officer of a Member to levy or cause to be levied any Member Charge to provide payment by the Member under its Payment Agreement, to enforce or to collect such Member Charge, or to pay over to the Recipient any money collected on account of such Member Charge necessary to satisfy any amount due under its Member Agreement, the Recipient may take such action in a court of competent jurisdiction as it

deems necessary to compel the performance of all duties relating to the imposition or levying and collection of any of such Member Charges and the payment of the money collected therefrom to the Recipient. Action taken pursuant hereto shall not deprive the Recipient of, or limit the application of, any other remedy provided by law or by the Payment Agreement.

(e) The obligation of each Member to make the Member Payments and other payments required to be made by it under its Payment Agreement, from its Member Net Revenues and/or other amounts legally available to the Member therefor, is absolute and unconditional, and until such time as the Payments and Additional Payments have been paid in full, the Member must not discontinue or suspend any Member Payments or other payments required to be made by it under the Payment Agreement when due, whether or not the Project, or any related part thereof is operating or operable or has been completed, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such Member Payments and other payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever. For the avoidance of doubt, no Member shall be excused from its obligation to make Member Payments or to pay its Allocated Share of any other amounts due from the Recipient or Operating JPA under this Agreement by any default of any other Project Party. Additionally, each Member shall be responsible for its Allocated Share of any amounts becoming due under this Agreement due to a default by one or more Project Parties (e.g., Additional Payments, penalty interest, damages for breach of tax-exempt status, damages for breach of federal conditions, etc.) regardless of whether it committed the default causing such amounts to be due.

D.1.3 Security for Member Payments and Financial Covenants of the Members.

In each Payment Agreement, each Member shall be required to agree to the following:

D.1.3.1 Establishment of Member Enterprise Fund.

In order to carry out its Member Obligations, each Member covenants that it shall establish and maintain or shall have established and maintained a Member Enterprise Fund. All Member Revenues received by each Member shall be deposited when and as received in trust in such Member's Member Enterprise Fund.

D.1.3.2 Pledge of Member Net Revenues and Member Enterprise Fund.

Each Member's Member Payment Obligation shall be secured by a lien on and pledge of the Member's Member Enterprise Fund and Member Net Revenues on parity with the Member Parity Obligations. Each Member shall pledge and grant such lien on and pledge of its Member Enterprise Fund and Member Net Revenues to secure its Member Payment Obligation. Each Member Enterprise Fund and the Member Net Revenues in each Member Enterprise Fund shall be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Member.

D.1.3.3 Application and Purpose of the Member Enterprise Funds.

Subject to the provisions of any outstanding Member Obligation, money on deposit in the Member Enterprise Funds shall be applied and used first, to pay Member Operations and Maintenance Costs, and thereafter, all amounts due and payable with respect to the Member Obligations in order of priority. After making all payments hereinabove required to be made in each Fiscal Year, each Member may expend in such Fiscal Year any remaining money in its Member Enterprise Fund for any lawful purpose of the Member.

D.1.3.4 No Prepayment.

The Payment Agreements must not allow a Member to prepay any portion of its Allocated Share of the principal and interest due under this Agreement without the written consent of the Deputy Director of the Division.

D.1.3.5 Members' Rates, Fees, and Charges.

(a) Each Member must, to the extent permitted by law, fix, prescribe and collect rates, fees and charges for its Member System during each Fiscal Year which are reasonable, fair, and nondiscriminatory and which will be sufficient to generate Member Revenues in the amounts necessary to cover such Member's Member Operations and Maintenance Costs, and must ensure that Member Net Revenues are equal to the sum of (i) at least 120% of the Maximum Annual Debt Service with respect to all outstanding Member Obligations senior to and on parity with the Member Payment Obligation and (ii) at least 100% of the Maximum Annual Debt Service with respect to all outstanding Member Obligations subordinate to the Member Payment Obligation, so long as such Member's Member Obligations other than its Member Payment Obligation are outstanding. Upon defeasance of all of a Member's Member Obligations other than its Member Payment Obligation, this ratio must be at least 120%, except where Member Obligations are defeased pursuant to refunding obligations.

(b) Each Member may make adjustments from time to time in such fees and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates, fees and charges then in effect unless the Member Net Revenues from such reduced rates, fees, and charges will at all times be sufficient to meet the requirements of this section.

(c) Upon consideration of a voter initiative to reduce a Member's Member Revenues, the Member must make a finding regarding the effect of such a reduction on the Member's ability to satisfy the rate covenant described in Section D.1.3.5(a). The Member must make its findings available to the public. The Member's Member Authorized Representative must request, if necessary, the authorization of the Member's decision-maker or decision-making body to file litigation to challenge any such initiative that it finds will render it unable to satisfy the rate covenant described in D.1.3.5(a) and its obligation to make Member Contributions to operate and maintain the Project for its Useful Life. The Member must diligently pursue and bear any and all costs related to such challenge. The Member must notify and regularly update the Recipient and the State Water Board regarding the status of any such challenge.

D.1.3.6 Additional Member Obligations.

(a) The future debt of any Member that is secured by Member Revenues pledged herein may not be senior to the Member's Member Payment Obligation. For the avoidance of doubt, this prohibition shall apply to any future debt issued by any joint powers authority of which the Member is a member and to any future Water Supply Debt. The Member's share of debt service payments on any such future debt must not be senior in right of payment to the Member's Member Payment Obligation or any Member Parity Obligations, and the issuance of any such debt for which the Member is obligated to pay a share of debt service payments must comply with the requirements of D.1.3.6(b) herein.

(b) A Member may issue additional Member Parity Obligations or Member Subordinate Obligations only if all of the following conditions are met:

- i. No Event of Default under this Agreement or event of default of the Member's Payment Agreement (or no event with respect to which notice has been given and which, once all notice of grace periods have passed, would constitute such an event) has occurred and is continuing;
- ii. The Member's Member Net Revenues in the most recent Fiscal Year, excluding transfers from a rate stabilization fund, if any, and including an allowance for any increase in Member Revenues arising in the current or next five Fiscal Years from any increase in rates and charges imposed by the Member that have been adopted by the governing board of the Member as of the date of the calculation, meet the ratio for rate covenants set forth in D.1.3.5(a) with respect to any outstanding and proposed additional Member Obligations;
- iii. The Member is in compliance with its obligation to make Reserve Fund Contributions

(c) Las Virgenes Municipal Water District's Member Payment Obligation is secured by its Member Net Revenues, which represent the combined net revenues of the Las Virgenes Potable Water System, the Las Virgenes Recycled Water System, and the Las Virgenes Wastewater System (each, a "Las Virgenes Subsystem"). In addition to the rules for additional debt described in D.1.3.6(a) and (b) above, Las Virgenes Municipal Water District may issue additional debt secured by its Member Net Revenues only if it is in compliance with the supplemental financial information requirement contained in D.1.12 below.

(d) No Member shall make a pledge of or place any lien on its Member System, Member Revenues, or any ownership interest it holds in the Project or the Joint System except as otherwise provided or permitted by the Payment Agreement. Las Virgenes Municipal Water District shall not make a pledge of or place any lien on any Las Virgenes Subsystem or the revenues thereof, except as otherwise provided or permitted by its Payment Agreement.

D.1.4 Payment Agreement Events of Default

Under each Payment Agreement, occurrence of each of the following events must be defined to be an event of default:

(a) Failure by the Member to make any payment of its Allocated Share of any amount required to be paid pursuant to this Agreement, including Payments and Project Bond Payments;

(b) A representation or warranty made by or on behalf of the Member in any document furnished by or on behalf of the Member to the State Water Board pursuant to this Agreement shall prove to have been inaccurate, misleading or incomplete in any material respect;

(c) A material adverse change in the condition of the Member, its Member Revenues, or its Member System, which the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under the Agreement or the Member's obligations under the Member's Payment Agreement.

(d) Failure by the Member to comply with the additional debt test required in its Payment Agreement or to make Reserve Fund Contributions;

(e) Failure by the Member to operate its Member System without the Division's approval;

(f) Failure by the Member to observe and perform any covenant, condition, or provision in its Payment Agreement, which failure shall continue for a period of time, to be determined by the Recipient or by the Division pursuant to its power to enforce the Payment Agreement;

(g) The occurrence of a material breach or event of default under any Member Obligation or Member Material Obligation that results in the acceleration of principal or interest or otherwise requires immediate prepayment, repurchase or redemption;

(h) Initiation of proceedings seeking arrangement, reorganization, or any other relief under any applicable bankruptcy, insolvency, or other similar law; the appointment of or taking possession of the Member's property by a receiver, liquidator, assignee, trustee, custodian, conservator, or similar official; the Member's entering into a general assignment for the benefit of creditors; the initiation of resolutions or proceedings to terminate the Recipient's existence, or any action in furtherance of any of the foregoing;

(i) A determination pursuant to Gov. Code section 11137 that the Member has violated any provision in Article 9.5 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code; or

(j) Loss of the Member's rights, licenses, permits, or privileges necessary for the operation of its Member System, or the occurrence of any material restraint on the Member's enterprise by a government agency or court order.

D.1.5 Representations and Warranties of the Members.

In each Payment Agreement, the Member shall make all of the following representations, warranties, and commitments as of the Eligible Work Start Date and continuing thereafter for the term of the Payment Agreement.

D.1.5.1 Application and General Member Commitments.

The Member has not made, or caused either directly or by omission the Recipient or Operating JPA to make, any untrue statement of a material fact in the application for State Water Board financial assistance or in any other communication with the State Water Board related to the Recipient's application for State Water Board financial assistance.

D.1.5.2 Authorization and Validity.

The execution and delivery of the Payment Agreement, including all incorporated documents, has been duly authorized by the Member. Upon execution by all parties, the Payment Agreement constitutes a valid and binding obligation of the Member, enforceable in accordance with its terms, except as such enforcement may be limited by law.

D.1.5.3 No Violations.

The execution, delivery, and performance by the Member of the Payment Agreement, including any incorporated documents, do not violate any provision of any law or regulation in effect as of the dates of execution of the Payment Agreement by the Member, or result in any breach or default under any contract, obligation, indenture, or other instrument to which the Member is a party or by which the Member is bound as of the date of execution of the Payment Agreement by the Recipient.

D.1.5.4 No Litigation.

There are, as of the dates of execution of the Payment Agreement by the Member, no pending or, to the knowledge of the Member, threatened actions, claims, investigations, suits, or proceedings before any governmental authority, court, or administrative agency which materially affect, or, if resolved unfavorably to the Member, would materially affect the financial condition or operations of the Member, the Member System, the Member Revenues, and/or the Project.

There are no proceedings, actions, or offers by a public entity to acquire by purchase or the power of eminent domain the Member System or any of the real or personal property related to or necessary for the Project.

D.1.5.5 Solvency and Insurance.

None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of the Member. The Member is solvent and will not be rendered insolvent by the transactions contemplated by the Payment Agreement. The Member is able to pay its debts as they become due. The Member maintains sufficient insurance coverage considering the scope of the Payment Agreement, including, for example but not necessarily limited to, general liability, automobile liability, workers compensation and employer liability, professional liability.

D.1.5.6 Legal Status and Eligibility.

The Member is duly organized and existing and in good standing under the laws of the State of California. The Member must at all times maintain its current legal existence and preserve and keep in full force and

effect its legal rights and authority. The Member acknowledges that changes to its legal or financial status may affect the Recipient's eligibility for funding under the Agreement and commits to maintaining its eligibility. Within the preceding ten years, the Member has not failed to demonstrate compliance with state or federal audit disallowances.

D.1.5.7 Financial Statements and Continuing Disclosure.

The financial statements of the Member previously delivered to the State Water Board directly by the Member or delivered to the Recipient or the Operating JPA for transmission to the State Water Board in connection with the Recipient's application for financial assistance as of the date(s) set forth in such financial statements: (a) are materially complete and correct; (b) present fairly the financial condition of the Member; and (c) have been prepared in accordance with GAAP. Since the date(s) of such financial statements, there has been no material adverse change in the financial condition of the Member, nor have any assets or properties reflected on such financial statements been sold, transferred, assigned, mortgaged, pledged or encumbered, except as previously disclosed in writing by the Member and approved in writing by the State Water Board.

The Member is current in its continuing disclosure obligations associated with its material debt, if any.

D.1.5.8 Member Obligations

The Member has no Member Obligations other than those disclosed to the Recipient and the State Water Board in connection with the Recipient's application for financial assistance.

D.1.5.9 No Other Material Obligations.

The Member has no Member Material Obligations other than those disclosed to the Recipient and the State Water Board in connection with the Recipient's application for financial assistance.

D.1.5.10 Compliance with State Water Board Funding Agreements.

The Member represents that it is in compliance with all State Water Board funding agreements to which it is a party.

D.1.6 Remedies

Each Payment Agreement must provide that, for every remedy for enforcement of this Agreement against the Recipient or the Operating JPA available to the State Water Board under this Agreement or at law, the same must be available against the Member for enforcement of the Payment Agreement. This must include all rights to return of funds, acceleration of principal, and payment of penalty interest and Additional Payments described in Section C.2.1; all applicable administrative and judicial remedies described in Section C.2.3 and C.2.4; termination and payment of penalty interest as described in Section C.2.5; the Member's acceptance of paying its Allocated Share of any damages for breach of tax-exempt status or breach of federal conditions as described in Section C.2.6 and C.2.7, regardless of whether the breach leading to such damages was caused by the Member; and all other remedies provided for under the Agreement. Each Payment Agreement must contain non-exclusive remedies, limitations, non-waiver, and status quo clauses substantially equivalent to those found in Sections C.2.8, C.2.9, and C.2.10 of this Agreement to the satisfaction of the State Water Board's counsel.

D.1.7 Other Standard Conditions

Each Payment Agreement must require the Member to agree to the following standard conditions:

D.1.7.1 Assignability

The Payment Agreement must not be assignable by the Member, either in whole or in part, without the consent of the State Water Board in the form of a formal written amendment to this Agreement.

D.1.7.2 Audit

In connection with the Division's right to call for an audit of financial information relative to the Project as provided in Section C.3.5 of the Agreement, the Member must agree to cooperate fully with any such audit.

D.1.7.3 Operation and Maintenance; Insurance.

The Member must agree to sufficiently and properly staff, operate and maintain all portions of its Member System during the Useful Life of the Project in accordance with all applicable state and federal laws, rules, and regulations.

The Member must agree to procure and maintain or cause to be maintained insurance on its Member System with responsible insurers, or as part of a reasonable system of self-insurance, in such amounts and against such risks (including damage to or destruction of its Member System) as are usually covered in connection with systems similar to its Member System. Such insurance may be maintained by a self-insurance plan so long as such plan provides for (i) the establishment by the Member of a separate segregated self-insurance fund in an amount determined (initially and on at least an annual basis) by an independent insurance consultant experienced in the field of risk management employing accepted actuarial techniques and (ii) the establishment and maintenance of a claims processing and risk management program.

In the event of any damage to or destruction of the Member System caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Member System. The Member must begin such reconstruction, repair or replacement as expeditiously as possible, and must pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same must be completed and the Member System must be free and clear of all claims and liens. If such net proceeds are insufficient to reconstruct, repair, or restore the Member System to the extent necessary to enable the Member to pay all remaining unpaid principal portions of its Allocated Share of the Payments, if any, in accordance with the terms of the Agreement and the Payment Agreement, the Member must provide additional funds to restore or replace the damaged portions of the Member System.

The Member must agree that for any policy of insurance concerning or covering the construction of the Project, it will cause, and will require its contractors and subcontractors to cause, a certificate of insurance to be issued showing the State Water Board, its officers, agents, employees, and servants as additional insured; and must provide the Division with a copy of all such certificates prior to the commencement of construction of the Project.

D.1.8 Notice

Each Payment Agreement must require the Member to provide notice within the required timeframes of the following events to both the Recipient and the State Water Board:

- (a) Within 24 hours, the Member must notify the Recipient and the Division of the seizure of, or levy on, any Member Revenues securing the Member Payment Obligation.
- (b) As soon as practicable but not later than five (5) business days after the following, the Member must notify the Recipient and the Division of the occurrence of any of the following events:
 - i. Bankruptcy, insolvency, receivership or similar event of the Member, or actions taken in anticipation of any of the foregoing;
 - ii. Change of ownership of the Member System or change of management or service contracts, if any, for operation of the Member System;

- iii. Loss, theft, damage, or impairment to the Member System or the Member Revenues;
- iv. The Member's failure to meet any debt service coverage test in Exhibit D of the Agreement;
- v. Following establishment and full funding of the Reserve Fund, any request by the Recipient for any additional Reserve Fund Contribution resulting from a deficiency of the Reserve Fund or reflecting financial difficulties of the Recipient or any Member;
- vi. Listed Events and events of default under the Payment Agreement, except as otherwise set forth in this section;
- vii. Failure to observe or perform any covenant or comply with any condition in the Payment Agreement;
- viii. An offer from a public entity to purchase the Member System or any portion thereof, or the Member's ownership interest in the Project or the Joint System;
- ix. A proceeding or action by a public entity to acquire the Member System or any portion thereof, or the Member's ownership interest in the Project or the Joint System, by the power of eminent domain;
- x. Incurrence of a Member Obligation by the Member; or
- xi. A default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Member Obligation, any of which reflect financial difficulties.

(c) As soon as practicable but not later than ten (10) business days, the Member must notify the Recipient and the Division of the following events:

- i. Material defaults on any Member Material Obligation, other than the Member Payment Obligation;
- ii. Unscheduled draws by the Member on material debt service reserves or credit enhancements, reflecting financial difficulties;
- iii. Substitution of credit or liquidity providers, if any or their failure to perform;
- iv. Any litigation pending or threatened with respect to the Project, the Member's technical, managerial or financial capacity to operate the Member System, the continued existence of the Member, or any judgment or court order relating to such litigation that has a significant effect on the Project or the Member System;
- v. Circulation of a petition to repeal, reduce, or otherwise challenge the Member's rates for services of the Member System;
- vi. Consideration of dissolution, or disincorporation, or any other event that could materially impair the Member Revenues;
- vii. Adverse tax opinions, the issuance by the Internal Revenue Service or proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of any tax-exempt bonds of the Member;
- viii. Rating changes on outstanding Member Obligations, if any;
- ix. Enforcement actions by or brought on behalf of the State Water Board or Regional Water Board against any the Member; or
- x. Any investigation by the District Attorney, California State Auditor, Bureau of State Audits, USEPA's Office of Inspector General, the Internal Revenue Service, Securities and Exchange Commission, a grand jury, or any other state or federal agency, relating to the financial management, accounting procedures, or internal fiscal controls of any Project Party;

- (d) The Member must notify the Division promptly of any of the following events:
- i. The discovery of a false statement of fact or representation made in this Payment Agreement or in the application to the Division for financial assistance, or in any certification, report, or request for reimbursement made pursuant to the Agreement, by the Member or its employees, agents, or contractors, or by the Recipient or Operating JPA relating to the Member;

- ii. Consideration of any amendment to the Payment Agreement, Operating JPA Agreement, or PFA Agreement which may have a material impact on the ability of the Member to meet any obligation or perform any covenant under the Payment Agreement;
- iii. Direct payment of a Project Bond Payment by the Member to a trustee or holder of Project Bonds. The notice of such a payment shall include the identity of the trustee or holder of Project Bonds to which the payment was made, identification of the Project Bond for which the payment was made, the date, amount, and medium of the payment, and a certification of the Member Authorized Representative that the Project Bond Payment represents Revenues of the Recipient within the meaning of this Agreement and is subject to the lien and pledge of the Revenues established in this Agreement; or
- iv. Any events requiring notice to the Division pursuant to the provisions of the Payment Agreement;

Notices to the Division required under this section must be given by phone at (916) 276-9978, by email to [PM email address and senior email address] and CleanWaterSRF@waterboards.ca.gov, and by mail to the contact address set forth in Section 4 of this Agreement. Emailed notices must reference the Recipient, the Agreement contract number ([insert]), and the Project Number 8768-110. Notices to the Recipient required under this section may be accomplished by any method the Recipient and the Member may agree upon; provided, however that the method and timing of such notice must be reasonably calculated to allow the Recipient to timely pass on such notice to the Division to fulfill its notice obligations under the Agreement.

D.1.9 Right of the State Water Board to Enforce the Payment Agreements

In each Payment Agreement, the Member shall acknowledge its intention that Member Payments required and the security provided under the Payment Agreement are intended for the benefit of the State Water Board, to repay the Obligation of the Recipient incurred under this Agreement. The State Water Board shall be named as a third party beneficiary to each Payment Agreement, and shall be entitled to take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Recipient and Operating JPA or separately, all of the rights of the Recipient and all of the obligations thereto of the Members under the Payment Agreements. The State Water Board may pursue all remedies provided to it in this Agreement or otherwise available at law or in equity to enforce its interest in the Payment Agreements.

D.1.10 No Amendment to the Payment Agreements Without Consent.

Each Payment Agreement must contain a term providing that the Payment Agreement may not be amended in any way that may have a material impact on the ability of the Member to meet its Member Payment Obligation or meet any other covenant required of it by this Agreement without the express written consent of the Division. The Division shall have sole discretion to grant or refuse consent to such proposed amendments and may condition its consent on the execution of an amendment to this Agreement.

D.1.11 Rule of Construction.

The requirements of this Section D.1 are in addition to any requirements imposed on the Payment Agreements elsewhere in this Agreement. If any term in this Section shall be found to be inconsistent with any requirement established elsewhere in this Agreement, each term shall be held as applicable to the greatest extent possible. If any term in this Section shall be found to be in conflict with any requirement established elsewhere in this Agreement, the term given in this Exhibit D shall control.

D.1.12 Supplemental Financial Information of Las Virgenes Municipal Water District

Las Virgenes Municipal Water District shall submit audited financial reports to the Division on an annual basis, by December 31 of each year, until the Records Retention End Date. Beginning with the audited financial reports for the Fiscal Year ending June 30, 2027, the audited financial reports must include, either in the body of the report or in a supplemental statement, an itemization that shows the amount of each line item in Las Virgenes Municipal Water District's statements of (i) cash flows and (ii) revenues, expenses, and changes in net position, that is attributed to the Las Virgenes Potable Water Enterprise, the Las Virgenes Recycled Water System, and the Las Virgenes Wastewater System, respectively. In connection with the delivery of the audited financial reports, Las Virgenes Municipal Water District shall deliver a certificate to the Division which shall include a calculation based on the information provided in such audited financial reports which demonstrates to the Division's satisfaction whether revenues attributable to each Las Virgenes Subsystem were sufficient to pay the Member Operations and Maintenance Costs and the Debt Service on Member Obligations attributable to such Las Virgenes Subsystem in the relevant fiscal year. If such calculation demonstrates that revenues attributable to a Las Virgenes Subsystem were insufficient to pay the Member Operations and Maintenance Costs and the Debt Service on Member Obligations attributable to such Las Virgenes Subsystem (this determination, an "Adverse Determination"), within sixty (60) days of providing such calculation, Las Virgenes Municipal Water District must prepare and deliver to the Division a document which (x) details the anticipated Member Revenues, Member Operations and Maintenance Costs, and Debt Service payments attributable to the Las Virgenes Subsystem which was the subject of the Adverse Determination for the subsequent three fiscal years, (y) demonstrates Las Virgenes Municipal Water District's ability to make all Debt Service payments on all of its Member Obligations and pay all Member Operations and Maintenance Costs during the subsequent three fiscal years, and (z) details the corrective actions Las Virgenes Municipal Water District intends to undertake to ensure the fiscal sustainability of each of the Las Virgenes Subsystems, if any, including if necessary any plans to raise rates and charges. This document must be satisfactory to the Division.

D.2 Other Special Conditions

D.2.1 No Change to Allocated Share

The Allocated Share of each Member may not be modified without the express written consent of the Division, and no modification of the Allocated Shares shall become effective until the execution of an amendment to this Agreement reflecting such modification.

D.2.2 No Amendment to Incorporated Documents

The Recipient and Operating JPA agree that they shall not amend any document incorporated into this Agreement by Exhibit or by reference in any way that may have a material impact on the ability of the Member to meet its Member Payment Obligation or meet any other covenant required of it by this Agreement without the express written consent of the Division. The Division shall have sole discretion to grant or refuse consent to such proposed amendments and may condition its consent on the execution of an amendment to this Agreement.

[environmental]

D.3 Executive Order N-6-22 — Russian Sanctions.

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State Water Board determine Recipient is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State Water Board shall provide Recipient advance written notice of such termination, allowing Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State Water Board.

The Recipient represents that the Recipient is not a target of economic sanctions imposed in response to Russia's actions in Ukraine imposed by the United States government or the State of California. The Recipient is required to comply with the economic sanctions imposed in response to Russia's actions in Ukraine, including with respect to, but not limited to, the federal executive orders identified in California Executive Order N-6-22, located at <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf> and the sanctions identified on the United States Department of the Treasury website (<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions>). The Recipient is required to comply with all applicable reporting requirements regarding compliance with the economic sanctions, including, but not limited to, those reporting requirements set forth in California Executive Order N-6-22 for all Recipients with one or more agreements with the State of California with an aggregated value of Five Million Dollars (\$5,000,000) or more. Notwithstanding any other provision in this Agreement, failure to comply with the economic sanctions and all applicable reporting requirements may result in termination of this Agreement.

For Recipients with an aggregated agreement value of Five Million Dollars (\$5,000,000) or more with the State of California, reporting requirements include, but are not limited to, information related to steps taken in response to Russia's actions in Ukraine, including but not limited to:

1. Desisting from making any new investments or engaging in financial transactions with Russian institutions or companies that are headquartered or have their principal place of business in Russia;
2. Not transferring technology to Russia or companies that are headquartered or have their principal place of business in Russia; and
3. Direct support to the government and people of Ukraine.

EXHIBIT E – PAYMENT SCHEDULE

See the attached preliminary Payment Schedule, which may be updated as discussed in Exhibit B. The final Payment Schedule will be forwarded to the Recipient after all disbursements have been paid and construction of the Project has been completed.

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EXHIBIT F – TAX CERTIFICATE

F.1 Purpose.

The purpose of this Exhibit F is to establish the reasonable expectations of the Recipient and the Operating JPA regarding the Project and the Project Funds, and is intended to be and may be relied upon for purposes of Sections 103, 141 and 148 of the Code and as a certification described in Section 1.148-2(b)(2) of the Treasury Regulations. This Exhibit F sets forth certain facts, estimates and circumstances which form the basis for the expectation of the Recipient and the Operating JPA that neither the Project nor the Bond Funded Portion of the Project Funds is to be used in a manner that would cause the Obligation to be classified as “arbitrage bonds” under Section 148 of the Code or “private activity bonds” under Section 141 of the Code.

F.2 Tax Covenant.

The Recipient and the Operating JPA agree that they will not take or authorize any action or permit any action within its reasonable control to be taken, or fail to take any action within its reasonable control, with respect to the Project which would result in the loss of the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Code.

F.3 Governmental Unit.

The Recipient and the Operating JPA are each a state or local governmental unit as defined in Section 1.103-1 of the Treasury Regulations or an instrumentality thereof (a “Governmental Unit”) and neither is the federal government or any agency or instrumentality thereof.

F.4 Financing of a Capital Project.

The Recipient and the Operating JPA will use the Project Funds to finance capital expenditures they have incurred or will incur for the construction, reconstruction, installation or acquisition of the Project in accordance with the terms of this Agreement. Such expenditures shall not have previously been financed with the proceeds of any other issue of indebtedness except for interim financing by the Recipient, the date of maturity, prepayment or redemption of which is within thirty (30) days of the date of disbursement of Project Funds under this Agreement. All Project Funds shall be allocated to expenditures by the Recipient within thirty (30) days of the date of disbursement, including (if at all) Project Funds allocated to repay interim financing of the Recipient. For purposes of this Section F.4, “interim financing” means notes, commercial paper, loans, lines of credit and other forms of short-term borrowing.

F.5 Ownership and Operation of Project.

The Operating JPA exclusively owns and, except as provided in Section F.12 hereof, operates the Project.

F.6 Temporary Period.

The Recipient and Operating JPA reasonably expect that at least eighty-five percent (85%) of the Bond Funded Portion of the Project Funds will be allocated to expenditures for the Project within three (3) years of the earlier of the effective date of this Agreement or the date the Bonds are issued (“Applicable Date”). The Recipient or Operating JPA has incurred, or reasonably expects that it will incur within six (6) months of the Applicable Date, a substantial binding obligation (i.e., not subject to contingencies within the control of the Recipient or a related party) to a third party to expend at least five percent (5%) of the Bond Funded Portion of the Project Funds on Project Costs. The completion of acquisition, construction,

improvement and equipping of the Project and the allocation of the Bond Funded Portion of the Project Funds to Project Costs will proceed with due diligence.

F.7 Working Capital.

No operational expenditures of the Recipient or Operating JPA or any related entity are being, have been or will be financed or refinanced with Project Funds.

F.8 Expenditure of Proceeds.

The Bond Funded Portion of the Project Funds shall be used exclusively for the following purposes: (i) Reimbursement Expenditures (as defined in Section F.20 below), (ii) Preliminary Expenditures (as defined in Section F.20 below) in an aggregate amount not exceeding twenty percent (20%) of the Bond Funded Portion of the Project Funds, (iii) capital expenditures relating to the Project originally paid by the Recipient on or after the date hereof, (iv) interest on the Obligation through the later of three (3) years after the Applicable Date or one (1) year after the Project is placed in service, and (v) initial operating expenses directly associated with the Project in the aggregate amount not more than five percent (5%) of the Bond Funded Portion of the Project Funds.

F.9 Private Use and Private Payments.

No portion of the Project Funds or the Project is being, has been or will be used in the aggregate for any activities that constitute a Private Use (as defined below). No portion of the principal of or interest with respect to the Payments will be secured by any interest in property (whether or not the Project) used for a Private Use or in payments in respect of property used for a Private Use, or will be derived from payments in respect of property used for a Private Use. "Private Use" means any activity that constitutes a trade or business that is carried on by persons or entities, other than a Governmental Unit. The leasing of the Project or the access by or the use of the Project by a person or entity other than a Governmental Unit on a basis other than as a member of the general public shall constitute a Private Use. Use by or on behalf of the State of California or any of its agencies, instrumentalities or subdivisions or by any local Governmental Unit and use as a member of the general public will be disregarded in determining whether a Private Use exists. Use under an arrangement that conveys priority rights or other preferential benefits is generally not use on the same basis as the general public. Arrangements providing for use that is available to the general public at no charge or on the basis of rates that are generally applicable and uniformly applied do not convey priority rights or other preferential benefits. For this purpose, rates may be treated as generally applicable and uniformly applied even if (i) different rates apply to different classes of users, such as volume purchasers, if the differences in rates are customary and reasonable; or (ii) a specially negotiated rate arrangement is entered into, but only if the user is prohibited by federal law from paying the generally applicable rates, and the rates established are as comparable as reasonably possible to the generally applicable rates. An arrangement that does not otherwise convey priority rights or other preferential benefits is not treated, nevertheless, as general public use if the term of the use under the arrangement, including all renewal options, is greater than 200 days. For this purpose, a right of first refusal to renew use under the arrangement is not treated as a renewal option if (i) the compensation for the use under the arrangement is redetermined at generally applicable, fair market value rates that are in effect at the time of renewal; and (ii) the use of the financed property under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business.

F.10 No Sale, Lease or Private Operation of the Project.

The Project (or any portion thereof) will not be sold or otherwise disposed of, in whole or in part, to any person who is not a Governmental Unit prior to the final maturity date of the Obligation. The Project will not be leased to any person or entity that is not a Governmental Unit prior to the final maturity date of the Obligation. Except as permitted under Section F.12 hereof, the Recipient and Operating JPA will not

enter any contract or arrangement or cause or permit any contract or arrangement to be entered with persons or entities that are not Governmental Units if that contract or arrangement would confer on such persons or entities any right to use the Project on a basis different from the right of members of the general public. The contracts or arrangements contemplated by the preceding sentence include but are not limited to management contracts, take or pay contracts or put or pay contracts, and capacity guarantee contracts.

F.11 No Disproportionate or Unrelated Use.

No portion of the Project Funds or the Project is being, has been, or will be used for a Private Use that is unrelated or disproportionate to the governmental use of the Project Funds.

F.12 Management and Service Contracts.

The Recipient and Operating JPA each represent that, as of the date hereof, it is not a party to any contract, agreement or other arrangement with any persons or entities engaged in a trade or business (other than Governmental Units) that involve the management or operation of property or the provision of services at or with respect to the Project that does not comply with the standards of the Treasury Regulations, or Revenue Procedure 2017-13, as applicable. The Recipient and Operating JPA each represent that it will not be party to any such contract, agreement or arrangement with any person or entity that is not a Governmental Unit for the management of property or the provision of services at or with respect to the Project, while the Obligation (including any obligation or series thereof issued to refund the Obligation, as the case may be) is outstanding, except: (a) with respect to any contract, agreement or arrangement that does not constitute "private business use" of the Project under Code §141(b), or (b) with respect to any contract, agreement or arrangement that complies with (i) Revenue Procedure 97-13, 1997-1 C.B. 632, as amended by Revenue Procedure 2001-39, 2001-2 C.B. 38, and as amplified by Notice 2014-67, with respect to contracts entered into before August 18, 2017 and not materially modified or extended after August 18, 2017, or (ii) Revenue Procedure 2017-13, with respect to contracts entered into or materially modified or extended on or after August 18, 2017, or (c) with respect to any contract, agreement or arrangement that does not give rise to use of the Bond Funded Portion of the Project Funds or the Project by a non-Governmental Unit of more than the amount of such non-qualified use permitted by the Code, or (d) in the event that the Recipient or Operating JPA receives an opinion of counsel, satisfactory to the State Water Board and the Bank and expert in the issuance of state and local government bonds the interest on which is excluded from gross income under Section 103 of the Code ("Nationally-Recognized Bond Counsel"), that such contract, agreement or arrangement will not adversely affect the exclusion of the interest on the Obligation from gross income for federal income taxation purposes.

F.13 No Disposition of Financed Property.

As of the date hereof, the Recipient and Operating JPA do not expect to sell or otherwise dispose of any portion of the Project, in whole or in part, prior to the final maturity date of the Obligation.

F.14 Useful Life of Project.

As of the date hereof, the Recipient and Operating JPA reasonably expect that the economic useful life of the Project, commencing at Project Completion, will be at least equal to the term of this Agreement, as set forth in Exhibit A hereto.

F.15 Payments.

Payments generally are expected to be derived from assessments, taxes, fees, charges or other current Revenues of the Recipient in each year, and such current Revenues are expected to equal or exceed the Payments during each payment period. Any amounts accumulated in a sinking fund or bona fide debt

service fund to pay Payments (whether or not deposited to a fund or account established by the Recipient) will be disbursed to pay Payments within thirteen months of the initial date of accumulation or deposit. Any such fund used for the payment of Payments will be depleted once a year except for a reasonable carryover amount not exceeding the greater of earnings on such fund or one-twelfth of the Payments in either case for the immediately preceding year.

F.16 No Other Replacement Proceeds.

The Recipient and the Operating JPA will not use any of the Bond Funded Portion of the Project Funds to replace or substitute other funds of the Recipient or Operating JPA that were otherwise to be used to finance the Project or which are or will be used to acquire securities, obligations or other investment property reasonably expected to produce a yield that is materially higher than the yield on the Bonds.

F.17 No Sinking or Pledged Fund.

Except as set forth in Section F.18 below, the Recipient will not create or establish any sinking fund or pledged fund which will be used to pay Payments on the Obligation within the meaning of Section 1.148-1(c) of the Treasury Regulations. If any sinking fund or pledged fund comes into being with respect to the Obligation before the Obligation has been fully retired which may be used to pay the Payments, the Recipient will invest such sinking fund and pledged fund moneys at a yield that does not exceed the yield on the Bonds.

F.18 Reserve Amount.

The State Water Board requires that the Recipient maintain and fund a separate account in an amount equal to one (1) year of debt service with respect to the Obligation (the "Reserve Amount") as set forth in Exhibit B. The Recipient represents that the Reserve Amount is and will be available to pay debt service with respect to the Obligation, if and when needed. The Reserve Amount consists solely of revenues of the Recipient and does not include any proceeds of any obligations the interest on which is excluded from gross income for federal income tax purposes or investment earnings thereon. The aggregate of the Reserve Amount, up to an amount not exceeding the lesser of (i) ten percent of the aggregate principal amount of the Obligation, (ii) the maximum annual debt service with respect to the Obligation, or (iii) 125 percent of the average annual debt service with respect to the Obligation, will be treated as a reasonably required reserve fund.

F.19 Reimbursement Resolution.

The "reimbursement resolution" adopted by the Recipient and the Operating JPA is incorporated herein by reference.

F.20 Reimbursement Expenditures.

Reimbursements are disallowed, except as specifically authorized in Exhibit B or Exhibit D of this Agreement. To the extent so authorized, a portion of the Bond Funded Portion of the Project Funds may be applied to reimburse the Recipient and Operating JPA for Project Costs paid before the date hereof, so long as the Project Cost was (i) not paid prior to sixty (60) days before the adoption by the Recipient and Operating JPA of a declaration of official intent to finance the Project, (ii) not paid more than eighteen (18) months prior to the date hereof or the date the Project was placed-in-service, whichever is later, and (iii) not paid more than three (3) years prior to the date hereof (collectively, "Reimbursement Expenditures"), unless such cost is attributable to a "preliminary expenditure." Preliminary expenditure for this purpose means architectural, engineering, surveying, soil testing and similar costs incurred prior to the commencement of construction or rehabilitation of the Project, but does not include land acquisition, site preparation and similar costs incident to the commencement of acquisition, construction or

rehabilitation of the Project. Preliminary expenditures may not exceed 20% of the Bond Funded Portion of the Project Funds.

F.21 Change in Use of the Project.

The Recipient and Operating JPA reasonably expect to use all of the Bond Funded Portion of the Project Funds and the Project for the entire stated term to maturity of the Obligation. Absent an opinion of Nationally-Recognized Bond Counsel to the effect that such use of the Bond Funded Portion of the Project Funds will not adversely affect the exclusion from federal gross income of interest on the Bonds pursuant to Section 103 of the Code, the Recipient will use the Bond Funded Portion of the Project Funds and the Project solely as set forth in this Agreement.

F.22 Rebate Obligations.

If the Recipient and Operating JPA satisfy the requirements of one of the spending exceptions to rebate specified in Section 1.148-7 of the Treasury Regulations, amounts earned from investments, if any, acquired with the Bond Funded Portion of the Project Funds will not be subject to the rebate requirements imposed under Section 148(f) of the Code. If the Recipient or Operating JPA fail to satisfy such requirements for any period, they will notify the State Water Board and the Bank immediately and will comply with the provisions of the Code and the Treasury Regulations at such time, including the payment of any rebate amount calculated by the State Water Board or the Bank.

F.23 No Federal Guarantee.

The Recipient and Operating JPA will not directly or indirectly use any of the Bond Funded Portion of the Project Funds in any manner that would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code, taking into account various exceptions including any guarantee related to investments during an initial temporary period until needed for the governmental purpose of the Bonds, investments as part of a bona fide debt service fund, investments of a reasonably required reserve or replacement fund, investments in bonds issued by the United States Treasury, investments in refunding escrow funds or certain other investments permitted under the Treasury Regulations.

F.24 Amendments.

The provisions in this Exhibit may be amended, modified or supplemented at any time to reflect changes in the Code upon obtaining written approval of the State Water Board and the Bank and an opinion of Nationally-Recognized Bond Counsel to the effect that such amendment, modification or supplement will not adversely affect the exclusion from federal gross income of interest on the Bonds pursuant to Section 103 of the Code.

F.25 Reasonable Expectations.

The Recipient and Operating JPA each warrant that, to the best of its knowledge, information and belief, and based on the facts and estimates as set forth in the tax covenants in this Exhibit, the expectations of the Recipient and the Operating JPA as set forth in this Exhibit are reasonable. The Recipient and Operating JPA are not aware of any facts or circumstances that would cause it to question the accuracy or reasonableness of any representation made in the provisions in this Exhibit.

F.26 Assignment.

The Recipient and Operating JPA consent to any pledge, sale, or assignment to the Bank or a trustee for the benefit of the owners of the Bonds, if any, at any time of any portion of the State Water Board's estate, right, title, and interest and claim in, to and under this Agreement and the right to make all related waivers and agreements in the name and on behalf of the State Water Board, as agent and attorney-in-

fact, and to perform all other related acts which are necessary and appropriate under this Agreement, if any, and the State Water Board's estate, right, title, and interest and claim in, to and under this Agreement to Payments (but excluding the State Water Board's rights to Additional Payments and to notices, opinions and indemnification under each Obligation).

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DATE: April 6, 2026
TO: JPA Board of Directors
FROM: Finance and Technology

SUBJECT: Pure Water Project Las Virgenes-Triunfo: Authorization of Credit Agreement, Installment Purchase Agreement and Fee Agreement

SUMMARY:

The Las Virgenes Municipal Water District (LVMWD) and Triunfo Water and Sanitation District (TWSD) are participating in the Pure Water Project Las Virgenes-Triunfo (Project) through the Las Virgenes-Triunfo Joint Powers Authority (Operating JPA). In connection with the financing of the Project, Las Virgenes Municipal Water District (LVMWD) and Triunfo Water and Sanitation District (TWSD) created the Las Virgenes-Triunfo Public Financing Authority (Financing JPA).

On December 8, 2025, the Operating JPA and Financing JPA Boards authorized the Administering Agent/General Manager to enter into a \$150-million non-revolving line of credit with Wells Fargo Bank for interim financing of the Pure Water Project Las Virgenes-Triunfo. The financing option was selected to provide flexible, cost-effective bridge funding for project construction prior to the anticipated drawdown of a long-term Water Infrastructure Finance and Innovation Act (WIFIA) loan, State of California Clean Water State Revolving Fund (SRF) loan and the potential issuance of bonds for the Project. The rationale for choosing a non-revolving line of credit (LOC) centers on its ability to deliver timely access to capital for construction expenditures, while preserving the JPA's flexibility to optimize the timing of permanent financing and potentially benefit from future interest rate reductions.

Staff recommends that the Board pass, approve and adopt proposed Resolution No. 40, authorizing the execution and delivery of a Credit Agreement with a principal component in an amount not to exceed \$155,000,000; authorizing the execution and delivery of the Credit Agreement, Fee Agreement and Installment Purchase Agreement; and ratifying the prior approval of the Payment Agreements and authorizing their execution. The slightly larger maximum principal amount (\$155 million as compared to the prior authorization of \$150 million) is proposed to be inclusive of fees, charges and capitalized interest. The target closing date for the loan is May 29, 2025.

RECOMMENDATION(S):

Pass, approve and adopt proposed Resolution No. 40, authorizing the execution and delivery of a Credit Agreement with a principal component in an amount not to exceed \$155,000,000; authorizing the execution and delivery of the Credit Agreement, Fee Agreement and Installment Purchase Agreement; and ratifying the prior approval of the Payment Agreements

and authorizing their execution.

RESOLUTION NO. 40

A RESOLUTION OF LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A CREDIT AGREEMENT, INSTALLMENT PURCHASE AGREEMENT AND FEE AGREEMENT, AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH

(Reference is hereby made to Resolution No. 40 on file in the JPA's Resolution Book, and by this reference the same is incorporated herein.)

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

By approving the transaction, the Operating JPA will be authorized to enter into the Credit Agreement and the related Installment Purchase Agreement with a principal component in an amount not to exceed \$155,000,000. The Operating JPA will also be authorized to execute the related Fee Agreement.

Amounts drawn under the Credit Agreement will bear interest at a variable rate that will be determined pursuant to the terms of the Credit Agreement. The Credit Agreement is expected to terminate in 2029. On or before this time, it is expected that the outstanding amount under the Credit Agreement will be repaid with the proceeds of a long-term financing instrument.

DISCUSSION:

LVMWD and TWSD, in consultation with Financing JPA's municipal advisor, PFM Financial Advisors (PFM), determined that it would be in the best interests of LVMWD and TWSD to obtain interim financing for the Project.

Following a solicitation of potential lenders, LVMWD and TWSD, in consultation with PFM, determined that the most favorable proposal to provide interim financing was submitted by Wells Fargo Municipal Capital Strategies, LLC (Bank).

To provide interim financing for the Project, the Operating JPA and the Financing JPA would enter into a Credit Agreement with the Bank, pursuant to which the Financing JPA and the Operating JPA can draw an aggregate amount up to \$155,000,000. The Credit Agreement permits multiple draws, allowing for draws to be made only when needed and resulting in a "draw fee" only being payable on amounts actually outstanding (the Financing JPA will owe a lower commitment fee on amounts that are not drawn). The draws under the Credit Agreement are evidenced by a note to be executed and delivered by the Financing JPA.

Amounts drawn under the Credit Agreement will bear interest at a variable rate. Concurrently

with the execution and delivery of the Credit Agreement, the Operating JPA and the Financing JPA will enter into a Fee Agreement with the Bank that sets forth certain fees payable to the Bank.

The amounts owed by the Financing JPA and the Operating JPA under the Credit Agreement and Fee Agreement will be payable from installments payments (Installment Payments) payable by the Operating JPA to the Financing JPA pursuant to an Installment Purchase Agreement by and between the Financing JPA and the Operating JPA. The Installment Payments will be paid from amounts paid directly to the Financing JPA by LVMWD and TWSD under separate Payment Agreements among the applicable district, the Financing JPA and the Operating JPA.

The Operating JPA previously authorized the execution and delivery of each Payment Agreement. Pursuant to the Payment Agreements, the applicable district will be obligated to pay a share of the debt service and fees payable under the Credit Agreement and Fee Agreement. The share of debt service allocable to LVMWD is 70.60%, and the share of debt service allocable to TWSD is 29.40%.

In connection with the interim financing, the Operating JPA will enter into the following agreements:

Credit Agreement:

The Credit Agreement is an agreement among the Financing JPA, Operating JPA and Bank setting forth the terms of the interim financing and certain covenants and obligations of the parties. The Credit Agreement includes certain financial covenants, including an additional debt test and rate covenants for the districts and the Operating JPA.

Fee Agreement:

The Fee Agreement sets forth fees payable to the Bank in connection with the providing the available credit facility under the Credit Agreement.

Installment Purchase Agreement:

The Installment Purchase Agreement is an agreement between the Financing JPA and the Operating JPA pursuant to which the Operating JPA agrees to make installment payments to the Financing JPA. The installment payments will be payable solely from Operating JPA revenues, which consist primarily of amounts paid by the districts directly to the Financing JPA pursuant to the terms of the Payment Agreements with the districts. The installment payments will be applied by the Financing JPA to the payment of amounts payable under the Credit Agreement and the Fee Agreement. The Installment Purchase Agreement also provides certain covenants of the parties, including the Operating JPA's rate covenant.

Key Considerations:

The proposed non-revolving LOC would provide up to \$155 million in tax-exempt advances for project costs with a commitment period of up to three years from closing. Advances must be at least \$1 million each with no more than two advances permitted in any 30-day period and three business days' notice required. The interest rate on advances would be based on a

daily simple Secured Overnight Financing Rate (SOFR) index, multiplied by an 80% factor, plus a spread of 34 basis points for a three-year term. All outstanding principal would be due on or before maturity. The non-revolving LOC also contains a "commitment fee" of 24 basis points, which would be incurred on the amounts not drawn under the LOC. Once amounts are drawn under the LOC, interest would be incurred based on the 80% of SOFR, plus 34 basis points as described above. As of March 20, 2026, this rate would be 3.24%.

GOALS:

Ensure Effective Utilization of the Public's Assets and Money

Prepared by: Brian Richie, Director of Finance and Technology

ATTACHMENTS:

[Proposed Resolution No. 40](#)

[Form of Credit Agreement](#)

[Form of Fee Agreement](#)

[Form of Installment Purchase Agreement](#)

RESOLUTION NO. 40

A RESOLUTION OF LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A CREDIT AGREEMENT, INSTALLMENT PURCHASE AGREEMENT AND FEE AGREEMENT, AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH

WHEREAS, the Las Virgenes Municipal Water District, a municipal water district that is duly organized and existing under the Municipal Water District Act (Water Code Section 71000 et seq. of the State of California) (the “LVMWD”), and Triunfo Water & Sanitation District, a county sanitation district that is duly organized and existing under the County Sanitation District Act (Health & Safety Code Section 4700 et seq. of the State of California) (“TWSD” and, together with LVMWD, the “Project Participants”), are members of the Las Virgenes-Triunfo Joint Powers Authority, a joint exercise of powers agency relating to joint facilities of Las Virgenes Municipal Water District and Triunfo Water & Sanitation District (the “Operating JPA”), and jointly operate certain facilities through the Operating JPA; and

WHEREAS, the Project Participants and the Operating JPA desire to finance the design and construction of the Pure Water Project, which will be owned and operated by the Operating JPA and will consist of an advanced water purification facility to treat effluent from the Operating JPA’s Tapia Water Reclamation Facility for potable use (the “Project”); and

WHEREAS, the Las Virgenes-Triunfo Public Financing Authority, a joint exercise of powers agency that is duly organized and existing under and by virtue of the laws of the State of California (the “Financing JPA”), has been requested to assist the Project Participants and the Operating JPA in connection with the acquisition of the Project; and

WHEREAS, the Operating JPA proposes to enter into an installment purchase agreement (the “Installment Purchase Agreement”) with the Financing JPA to provide for the acquisition of the Project; and

WHEREAS, in order to fulfill its obligation to the Operating JPA under the Installment Purchase Agreement, the Operating JPA proposes to enter into a Credit Agreement (the “Credit Agreement”) with Wells Fargo Municipal Capital Strategies, LLC (the “Lender”) and the Financing JPA; and

WHEREAS, there has been prepared and submitted to this meeting a form of a fee agreement (the “Fee Agreement”) among the Operating JPA, the Financing JPA and the Lender, relating to the Credit Agreement; and

WHEREAS, amounts owed under the Credit Agreement and the Fee Agreement will be payable from installment payments (the “Credit Agreement Installment Payments”) payable by the Operating JPA to the Financing JPA pursuant to the Installment Purchase Agreement; and

WHEREAS, the governing bodies of each of the Operating JPA and Financing JPA have previously approved the execution and delivery of separate payment agreements with each of the Project Participants (each, a “Payment Agreement”), pursuant to which each Project Participant has

agreed to pay their allocated share of debt service relating to the financing of the Project, which would include the Project Participant's allocated share of the Credit Agreement Installment Payments; and

WHEREAS, in accordance with California Government Code Section 5852.1, the Operating JPA has obtained and wishes to disclose the information set forth in Exhibit A.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LAS VIRGENES – TRIUNFO JOINT POWERS AUTHORITY AS FOLLOWS:

SECTION 1. Approval of Recitals. The Operating JPA hereby finds and determines that the foregoing recitals are true and correct.

SECTION 2. Authorization of the Credit Agreement. The Credit Agreement is hereby approved substantially in the form on file with the Secretary. Each of the Chair or Vice Chair of the governing body of the Operating JPA (the "Board") or the designee thereof (each, an "Authorized Officer"), acting alone, is hereby authorized and directed to execute and deliver the Credit Agreement such changes, insertions and omissions as may be recommended by the Operating JPA's General Counsel or Stradling Yocca Carlson & Rauth LLP, as bond counsel ("Bond Counsel"), and approved by the Authorized Officer executing the same, said execution being conclusive evidence of such approval; provided that the principal amount authorized to be drawn under the Credit Agreement shall not exceed \$155,000,000. The Board hereby approves and authorizes the performance of the Credit Agreement.

SECTION 3. Approval of Installment Purchase Agreement. The Installment Purchase Agreement is hereby approved substantially in the form on file with the Secretary. Each Authorized Officer, acting alone, is hereby authorized and directed to execute and deliver such Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by the Operating JPA's General Counsel or Bond Counsel, and approved by the officer or employee executing the same, said execution being conclusive evidence of such approval. The Board hereby approves and authorizes the performance of the Installment Purchase Agreement by the Operating JPA.

SECTION 4. Approval of Fee Agreement. The Fee Agreement is hereby approved substantially in the form on file with the Secretary. Each Authorized Officer, acting alone, is hereby authorized and directed to execute and deliver such Fee Agreement with such changes, insertions and omissions as may be recommended by the Operating JPA's General Counsel or Bond Counsel, and approved by the officer or employee executing the same, said execution being conclusive evidence of such approval. The Board hereby approves and authorizes the performance of the Fee Agreement by the Operating JPA.

SECTION 5. Other Actions. The Board hereby approves and authorizes the performance of each Payment Agreement by the Operating JPA. Each Authorized Officer, acting alone, is hereby authorized and directed to execute and deliver each Payment Agreement with such changes, insertions and omissions as may be recommended by the Operating JPA's General Counsel or Bond Counsel, and approved by the officer or employee executing the same, said execution being conclusive evidence of such approval. The Authorized Officers, the Secretary or any other proper officer of the Operating JPA, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents, agreements, certificates and instruments or any amendments related to the foregoing and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Installment Purchase Agreement, Fee Agreement, Credit

Agreement, the Payment Agreements and this Resolution, and any actions previously taken in connection with such matters, including but not limited to the prior approval of the Payment Agreements, is hereby ratified. In the event that the Chair and Vice Chair of the Board are unavailable to sign any of the agreements described herein, any other member of the Board or Authorized Officer may sign such agreement.

SECTION 6. Definitions. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given to such terms in the Credit Agreement, unless the context otherwise clearly requires.

SECTION 7. Effective Date of Resolution. This Resolution shall take effect immediately.

PASSED, APPROVED, AND ADOPTED this 6th day of April, 2026.

Chair

ATTEST:

Vice Chair

APPROVED AS TO FORM:

W. Keith Lemieux, Agency Counsel

EXHIBIT A

GOOD FAITH ESTIMATES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

The good faith estimates set forth herein are provided with respect to the Credit Agreement in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Las Virgenes-Triunfo Public Financing Authority by PFM Financial Advisors LLC.

- (A) True Interest Cost of the Credit Agreement: 2.551%
- (B) Finance Charge of the Credit Agreement (Sum of all fees/charges paid to third parties): \$175,000
- (C) Net Proceeds of the Credit Agreement to be received (net of finance charges, reserves and capitalized interest, if any): \$150,000,000
- (D) Total Payment Amount through maturity of the Credit Agreement: \$158,011,772

The foregoing constitutes good faith estimates only. The principal amount of the Credit Agreement, the true interest cost of the Credit Agreement, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of the execution of the Credit Agreement being different than the date assumed for purposes of such estimates; (b) the actual of principal amount of the Credit Agreement being different from the estimated amount used for purposes of such estimates; (c) the actual amortization of the Credit Agreement being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of execution of the Credit Agreement being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the Operating JPA's financing plan, or a combination of such factors.

The actual date of execution of the Credit Agreement and the principal amount of the Credit Agreement will be determined by the Operating JPA based on a variety of factors. The actual interest rate borne by the Credit Agreement will depend on market interest rates at the time of sale thereof. The actual amortization of the Credit Agreement will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Operating JPA.

CREDIT AGREEMENT

dated as of [____], 2026

among

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY,

LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY

and

WELLS FARGO MUNICIPAL CAPITAL STRATEGIES, LLC

relating to:

\$(____)
LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY
**[TAX-EXEMPT NOTE
(WELLS FARGO CREDIT AGREEMENT)]**

CREDIT AGREEMENT

(This Table of Contents is not a part of this
Credit Agreement and is only
for convenience of reference)

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EXHIBITS:

- Exhibit A — Form of Note
- Exhibit B — Form of Notice of Borrowing
- Exhibit C — Form of Request for Extended Funded Period

CREDIT AGREEMENT

This CREDIT AGREEMENT dated as of [____], 2026 (together with all amendments, supplements and other modifications hereto, this “*Agreement*”), among LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY, a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (together with its permitted successors and assigns, the “*Authority*”), LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY, a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (together with its permitted successors and assigns, the “*Issuer*”), and WELLS FARGO MUNICIPAL CAPITAL STRATEGIES, LLC (together with its successors and assigns, the “*Lender*”).

WITNESSETH:

WHEREAS, the Authority is a joint exercise of powers agency formed October 12, 1964, relating to joint facilities of the Las Virgenes Municipal Water District (“*LVMWD*”) and the Triunfo Water & Sanitation District (“*TWSD*”) duly organized and existing under and by virtue of the Authority Joint Powers Agreement (as defined herein) and the laws of the State of California;

WHEREAS, the Issuer was established pursuant to the Issuer Joint Powers Agreement (as defined herein) and is authorized by Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, including but not limited to Section 6540 *et seq.*, to finance and refinance the acquisition and construction of property for LVMWD and TWSD;

WHEREAS, LVMWD and TWSD are members of the Authority and jointly operate certain facilities through the Authority and the Issuer is empowered to assist the Authority, LVMWD and TWSD in financing capital improvements;

WHEREAS, LVMWD and TWSD desire to finance the design and construction of the Project (as defined herein) and, in connection with such financing of the Project, the Authority and the Issuer have requested the Lender to establish the Commitment and make Loans and Term Loans as set forth herein and the Lender is prepared to establish the Commitment and make such Loans and Term Loans, in each case, subject to the terms and conditions of this Agreement;

WHEREAS, in order to evidence and secure the Loans and Term Loans, the Authority and the Issuer have authorized the issuance by the Issuer of the Note (as defined herein; and

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to induce the Lender to establish the Commitment and execute and deliver this Agreement and make Loans and Term Loans, in each case, subject to the terms and conditions of this Agreement, the Lender, the Authority and the Issuer agree as follows:

ARTICLE ONE

DEFINITIONS

Section 1.1. Definitions. As used in this Agreement:

“*Act*” means the Joint Exercise of Powers Act of the State of California (being Section 6500 *et seq.* of the Government Code of the State of California, as amended) and all laws amendatory thereof or supplemental thereto.

“*Affiliate*” means, as to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to be “controlled by” any other Person if such other Person possesses, directly or indirectly, power (a) to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing general partners; or (b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

“*Agreement*” has the meaning set forth in the introductory paragraph hereof.

“*Alternate Rate*” means, for any day, the rate per annum equal to the highest of (i) the Prime Rate then in effect, and (ii) the Federal Funds Rate *plus* 0.50%. Any change in the Alternate Rate due to a change in the Prime Rate or the Federal Funds Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Rate, respectively.

“*Alternate Rate Loan*” means any Loan bearing interest at a rate based upon the Alternate Rate as provided in Section 2.4(d) and/or 2.11 hereof.

“*Amortization End Date*” means, with respect to any Term Loan, the earliest to occur of: (i) the fifth (5th) anniversary of the Facility Maturity Date, and (ii) the date on which the Commitment could have been permanently reduced to zero or this Agreement is otherwise terminated, including as a result of the occurrence of an Event of Default.

“*Amortization Payment Date*” means, with respect to each Term Loan, (a) the Facility Maturity Date and the first Business Day of each third (3rd) calendar month occurring thereafter prior to the Amortization End Date and (b) the related Amortization End Date.

“*Anti-Corruption Laws*” means all laws, rules, and regulations of any jurisdiction from time to time concerning or relating to bribery or corruption, including the United States Foreign Corrupt Practices Act of 1977 and the rules and regulations thereunder and the U.K. Bribery Act 2010 and the rules and regulations thereunder.

“*Anti-Money Laundering Laws*” means any and all laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules related to terrorism financing, money laundering, any predicate crime to money laundering or any financial record keeping, including any applicable provision of the Patriot Act and The Currency and Foreign Transactions Reporting Act (also

known as the “Bank Secrecy Act,” 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959).

“*Applicable Factor*” means 80%.

“*Applicable Spread*” has the meaning set forth in the Fee Agreement.

“*Authority*” has the meaning set forth in the introductory paragraph hereof.

“*Authority Joint Powers Agreement*” means the Joint Exercise of Powers Agreement, dated January 26, 2009, by and between LVMWD and TWSD, as the same may be amended, supplemented, modified or restated in accordance with the terms thereof and hereof.

“*Authorized Authority Representative*” means the Administering Agent or any other authorized representative or authorized spokesperson conveying an official position of the Authority, or such person at the time and from time to time authorized to act on behalf of the Authority by written certificate furnished to the Lender.

“*Authorized Issuer Representative*” means the Executive Director, Treasurer and Deputy Treasurer or any other authorized representative or authorized spokesperson conveying an official position of the Issuer, or such person at the time and from time to time authorized to act on behalf of the Issuer by written certificate furnished to the Lender.

“*Available Tenor*” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed pursuant to Section 2.11(c)(iv), if applicable.

“*Bank Agreement*” means any credit agreement, direct purchase agreement, bond purchase agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement or other agreement or instrument (or any amendment, supplement or modification thereto) entered into by the Authority or the Issuer with any Person, directly or indirectly, or otherwise consented to by the Authority or the Issuer, under which any Person or Persons undertakes to directly purchase, make loans, extend credit or liquidity to the Authority or the Issuer in connection with any of the Authority’s or the Issuer’s Debt payable from or secured by a lien on all or any portion of Revenues senior to or on a parity with the Obligations.

“*Base Rate*” means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time *plus* one percent (1.00%), (ii) the Federal Funds Rate in effect at such time *plus* two percent (2.00%) and (iii) seven percent (7.00%). Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Rate shall be effective

from and including the effective date of such change in the Prime Rate or the Federal Funds Rate, respectively.

“*Benchmark*” means, initially, Daily Simple SOFR; *provided, however*, that if a Benchmark Transition Event has occurred with respect to Daily Simple SOFR or the then-current Benchmark, then “*Benchmark*” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior Benchmark pursuant to Section 2.4(d) hereof.

“*Benchmark Replacement*” means, with respect to any Benchmark Transition Event for any then-current Benchmark, the sum of: (a) the alternate benchmark rate that has been selected by the Lender and the Authority giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated or bilateral credit facilities and (b) the related Benchmark Replacement Adjustment; *provided that*, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Related Documents.

“*Benchmark Replacement Adjustment*” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Lender and the Authority giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated or bilateral credit facilities.

“*Benchmark Replacement Date*” means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “*Benchmark Transition Event*,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “*Benchmark Transition Event*,” the first date on which such Benchmark (or the published component used in the calculation thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) have been determined and announced by the regulatory

supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; *provided*, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if such Benchmark (or such component thereof) or, is such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, if such Benchmark is a term rate, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“*Benchmark Transition Event*” means, with respect to the then-current Benchmark, the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, the central bank for the Currency applicable to such Benchmark, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, if such Benchmark is a term rate, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“*Benchmark Transition Start Date*” means, with respect to any Benchmark, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“*Benchmark Unavailability Period*” means, with respect to any then-current Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Related Document in accordance with Section 2.11(c) hereof and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.11(c) hereof.

“*Borrowing*” means the borrowing of a Loan, as requested in each Notice of Borrowing.

“*Business Day*” means any day other than (i) a Saturday or Sunday or (ii) a day on which banks in the State of California are required or authorized by law to be closed, or (iii) a day on which the Lender is required or authorized by law to be closed.

“*Calculation Agent*” means Wells Fargo Bank, National Association or its affiliates.

“*Change in Law*” means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Law, rule, regulation or treaty, including, without limitation Risk-Based Capital Guidelines, (b) any change in any Law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, rulings, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States of America or foreign regulatory authorities, in each case pursuant to Basel III and each successor Basel accord, shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“*Closing Date*” means [_____], 2026, subject to the satisfaction (or waiver by the Lender) of all of the conditions precedent set forth in Section 3.1 hereof.

“*Code*” means the Internal Revenue Code of 1986, as amended, and any successor statute thereto, and the regulations promulgated thereunder

“*Commitment*” means the amount of \$[_____], as such amount may be reduced from time to time or terminated pursuant to Sections 2.7, 2.8 and 6.2 hereof.

“*Commitment Fee*” has the meaning set forth in the Fee Agreement.

“*Confidential Information*” means any permitted redactable information regarding the Authority, the Issuer, the Lender or any Affiliate of the Lender including, without limitation, address and account information, e-mail addresses, telephone numbers, facsimile numbers, names and signatures of officers, employees and signatories.

“*Conforming Changes*” means, with respect to either the use or administration of Daily Simple SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Alternate Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.11 hereof and other technical, administrative or operational matters) that the Lender decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender decides that adoption of any portion of such market practice is not administratively feasible or if the Lender determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Lender decides is reasonably necessary in connection with the administration of this Agreement and the other Related Documents).

“*Credit Period*” means the period from and including the Closing Date to and including the Termination Date, unless extended as provided herein.

“*Daily Simple SOFR*” means, for any day (a “*SOFR Rate Day*”), a rate per annum equal to the greater of (a) SOFR for the day (such day, a “*SOFR Determination Day*”) that is five (5) U.S. Government Securities Business Days prior to (A) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (B) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website; *provided* that if by 5:00 p.m. (New York City time) on the fifth (5th) U.S. Government Securities Business Day immediately following any SOFR Determination Day, SOFR in respect of such SOFR Determination Day has not been published on the SOFR Administrator’s Website and a Benchmark Replacement Date with respect to Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Day will be SOFR as published in respect of the first immediately preceding U.S. Government Securities Business Day for which such SOFR was published on the SOFR Administrator’s Website;

provided further that SOFR as determined pursuant to this proviso shall be utilized for purposes of calculation of Daily Simple SOFR for no more than three (3) consecutive SOFR Rate Days and (b) the Floor. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Authority or the Issuer.

“*Daily SOFR Rate*” means a per annum rate of interest equal to sum of (a) the Applicable Spread *plus* (b) the product of (i) Daily Simple SOFR multiplied by (ii) the Applicable Factor. The Daily SOFR Rate shall be rounded upwards to the fifth decimal place. Upon the occurrence and during the occurrence of an Event of Default the Daily SOFR Rate shall equal the Default Rate.

“*Debt*” of any Person means, without duplication, (i) all obligations of such Person evidenced by bonds, debentures, notes, certificates, securities or other similar instruments, (ii) all obligations of such Person for borrowed money, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) obligations of such Person as lessee under any lease of property, real or personal, that, in accordance with GAAP, would be required to be capitalized on a balance sheet of the lessee thereof, (v) obligations of such Person to reimburse or repay any bank or other Person in respect of amounts paid or advanced under a letter of credit, line of credit, credit agreement, liquidity facility or other instrument or other amounts loaned pursuant to a Bank Agreement, (vi) all obligations of such Person to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities or property or obligations for the deferred purchase price of property or services (other than trade accounts payable occurring in the ordinary course of business), (vii) all Guarantees by such Person of Debt of other Persons; (viii) all obligations arising under or pursuant to any Swap Contract and (ix) all obligations of other Persons secured by a lien on, or security interest in, any asset of such Person whether or not such obligation is assumed by such Person.

“*Default*” means any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

“*Default Rate*” means a per annum rate of interest equal to the sum of the Base Rate from time to time in effect *plus* three percent (3.00%).

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

- (i) on the date on which the Authority or the Issuer files any statement, supplemental statement or other tax schedule, return or document which discloses that interest paid or payable on the Note, any Loan or any Term Loan is includable, in whole or in part, in the gross income of a Noteholder or any former Noteholder for federal income tax purpose;

- (ii) the date on which the Lender or any Noteholder or former Noteholder notifies the Authority or the Issuer that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal

finance to the effect that interest paid or payable on the Note, any Loan or any Term Loan is includable, in whole or in part, in the gross income of a Noteholder or any former Noteholder for federal income tax purposes unless, within one hundred eighty (180) days after receipt by the Authority or the Issuer of such notification from the Lender or such Noteholder or any former Noteholder, the Authority or the Issuer shall deliver to the Lender, the Noteholder and any former Noteholder a ruling or determination letter issued to or on behalf of the Authority or the Issuer by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such ruling or determination letter) or a written opinion of its Note Counsel to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) the date on which the Authority or the Issuer shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of the Authority or the Issuer, or upon any review or audit of the Authority or the Issuer or upon any other ground whatsoever, interest paid or payable on the Note, any Loan or any Term Loan is includable, in whole or in part, in the gross income of a Noteholder or any former Noteholder for federal income tax purposes; or

(iv) the date on which the Authority or the Issuer shall receive notice from the Noteholder or any former Noteholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Lender, such Noteholder or such former Noteholder all or a portion of the interest on the Note, any Loan or any Term Loan due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the Authority or the Issuer has been afforded the opportunity, at its expense, to contest any such assessment or opinion, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that upon demand from the Lender, such Noteholder or former Noteholder, the Authority or the Issuer shall promptly reimburse, the Lender, such Noteholder or former Noteholder for any payments, including any taxes, interest, penalties or other charges, the Lender, such Noteholder or former Noteholder shall be obligated to make as a result of the Determination of Taxability.

“Dollars” and the sign “\$” means lawful money of the United States of America.

“Electronic Record” has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

“*Electronic Signature*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

“*Event of Default*” has the meaning set forth in Section 6.1 hereof.

“*Event of Taxability*” means a (i) change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Authority or the Issuer, or the failure to take any action by the Authority, or the making by the Authority or the Issuer of any misrepresentation herein or in any certificate given in connection with the Note, Loans or Term Loans) which has the effect of causing interest paid or payable on the Note, any Loan or any Term Loan to become includable, in whole or in part, in the gross income of the Lender, the Noteholder or any former Noteholder for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Authority or the Issuer of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Note, any Loan or any Term Loan to become includable, in whole or in part, in the gross income of the Lender, the Noteholder or any former Noteholder for federal income tax purposes with respect to the Note, any Loan or any Term Loan.

“*Excess Interest*” has the meaning set forth in Section 2.19 hereof.

“*Excluded Taxes*” means, with respect to the Lender, any Participant or any Noteholder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Lender, such Participant or such Noteholder is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Authority is located.

“*Facility Maturity Date*” means [_____, 2029], or, if such day is not a Business Day, the next preceding Business Day.

“*Favorable Opinion of Note Counsel*” means a written opinion of Note Counsel, addressed to the Authority, the Issuer and the Lender to the effect that the new Benchmark Replacement will not, in and of itself, cause interest on the Note or outstanding Loans or Term Loans to be included in gross income for purposes of federal income taxation.

“*Federal Funds Rate*” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided that*: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions

on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded, if necessary, to a whole multiple of one one-hundredth of 1.00%) charged to Wells Fargo Bank, National Association on such day on such transactions as determined by Wells Fargo Bank, National Association. Notwithstanding anything herein to the contrary, if the Federal Funds Rate as determined as provided above would be less than zero percent (0.0%), then the Federal Funds Rate shall be deemed to be zero percent (0.0%).

“Fee Agreement” means that certain Fee Agreement, dated the Closing Date, among the Issuer, the Authority and the Lender, as the same may be amended, modified or supplemented from time to time by written instrument executed by the Lender, the Issuer and the Authority, the terms of which are incorporated herein by reference.

“Floor” means the rate per annum equal to 0.00%.

“Guarantee” means, as to any Person, any (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Debt or other obligation payable or performable by another Person (the *“primary obligor”*) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Debt or other obligation of the payment or performance of such Debt or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Debt or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Debt or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Debt or other obligation of any other Person, whether or not such Debt or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Debt to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term *“Guarantee”* as a verb has a corresponding meaning.

“Issuer” has the meaning as set forth in the introductory paragraph.

“Issuer Joint Powers Agreement” means the Joint Exercise of Powers Agreement, dated as of September 1, 2023, by and between LVMWD and TWSD as the same may be amended, supplemented, modified or restated in accordance with the terms thereof and hereof.

“Fiscal Year” means with respect to the Authority and the Issuer, the twelve-month period commencing on July 1 of each year and ending on June 30 of the same calendar year or such other twelve-month period as the Authority and the Issuer (as applicable) may from time to time determine as it Fiscal Year.

“*Fitch*” means Fitch Ratings, Inc. and its successor rating agency.

“*Government Acts*” means any act or omission to act, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority.

“*Governmental Approvals*” means all authorizations, consents, approvals, permits, licenses and exemptions of, and all registrations and filings with or issued by, any Governmental Authorities.

“*Governmental Authority*” means the government of the United States or any other nation, or of any political subdivision thereof or any governmental or quasi-governmental entity, whether state or local, and any department, commission, board, bureau, administration, district, agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank) or any arbitrator, mediator or other Person with authority to bind a party at law.

“*Indemnified Taxes*” means Taxes other than Excluded Taxes.

“*Information*” has the meaning as set forth in Section 7.22 hereof.

“*Installment Payment*” has the meaning set forth in the Installment Purchase Agreement.

“*Installment Purchase Agreement*” means the Installment Purchase Agreement, dated as of [____], 2026 by and between the Authority and the Issuer, relating to the Note, as the same may be amended, supplemented, modified or restated in accordance with the terms thereof and hereof.

“*Installment Purchase Agreement Parity Debt*” means any Debt issued by or on behalf of the Authority or the Issuer secured by a lien on and/or payable from all or any portion of any Revenues.

“*Interest Payment Date*” means with respect to each Loan and each Term Loan, the first Business Day of each calendar month (with the first Interest Payment Date being [____], 2026), the Facility Maturity Date and such earlier date on which all Loans and Term Loans are required to be paid in full in accordance with the terms hereof or, if applicable, on the Amortization End Date.

“*Joint System*” has the meaning set forth in the Authority Joint Powers Agreement.

“*Laws*” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and

agreements with, any Governmental Authority, in each case whether or not having the force of law.

“*Lien*” means, with respect to any property, tangible or intangible, real or personal, any mortgage, lien, pledge, charge, security interest or other encumbrance of any kind in respect of such property.

“*Lender*” means Wells Fargo Municipal Capital Strategies, LLC, and its successors and assigns.

“*Lender Affiliate*” means the Lender and any Affiliate of the Lender and includes, without limitation, Wells Fargo Bank, National Association, Wells Fargo Securities (a trade name).

“*Lender Rate*” means the rate of interest per annum with respect to any Term Loan (i) for any day commencing on the date such Term Loan is made to and including the one hundred eightieth (180th) day next succeeding the Facility Maturity Date, equal to the Base Rate from time to time in effect, and (ii) for any day commencing on the one hundred eighty-first (181st) day next succeeding the Facility Maturity Date and at all times thereafter, equal to the sum of the Base Rate from time to time in effect *plus* one percent (1.0%); *provided, however*, that immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, “*Lender Rate*” shall mean the Default Rate.

“*Lender-Related Persons*” means the Lender, its Affiliates and the officers, directors, employees, agents and attorneys-in-fact of the Lender and Affiliates.

“*Lender Transferee*” has the meaning set forth in Section 7.3 hereof.

“*Loan*” or “*Loans*” means a loan to be made by the Lender in accordance with the applicable Notice of Borrowing.

“*LVMWD*” has the meaning set forth in the recitals hereof.

“*LVMWD Revenues Debt*” means Debt issued by or on behalf of LVMWD secured by a lien on and/or payable from all or any portion of the LVMWD Revenues.

“*LVMWD Payment Agreement*” means the Payment Agreement dated as of [____], 2026 by and among the Authority, the Issuer and LVMWD, as the same may be amended, supplemented, modified or restated in accordance with the terms thereof and hereof.

“*LVMWD Revenues*” has the meaning assigned to the term “Purchaser Revenues” in the LVMWD Payment Agreement.

“*LVMWD System*” has the meaning assigned to the term “Purchaser System” in the LVMWD Payment Agreement.

“Majority Noteholder” means the Noteholders with a majority of the aggregate ownership interest in Loans and Term Loans evidenced by the Note from time to time. As of the Closing Date, Wells Fargo Municipal Capital Strategies, LLC is the Majority Noteholder.

“Material Adverse Effect” or *“Material Adverse Change”* means (a) with respect to the Authority or the Issuer, a material adverse effect upon the Authority’s or the Issuer’s business, assets, liabilities (actual or contingent), properties, condition (financial or otherwise), results of operations or business prospects, and (b) with respect to the Authority’s or the Issuer’s obligations under this Agreement, the Fee Agreement or any other Related Document, a material adverse effect upon (i) the binding nature, validity or enforceability of the Authority’s obligations hereunder or thereunder, (ii) the Authority’s or the Issuer’s ability to perform its obligations hereunder or thereunder or (iii) the rights, security or interests of the Lender.

“Maximum Federal Corporate Tax Rate” means, on any given day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect as of such day (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Lender, the maximum statutory rate of federal income taxation which could apply to the Lender).

“Maximum Rate” means the maximum non-usurious lawful rate of interest permitted by applicable law.

“Moody’s” means Moody’s Investors Service, Inc. and any successor rating agency.

“Net Revenues” has the meaning set forth in the Payment Agreements.

“Non-Lender Transferee” has the meaning set forth in Section 7.2(c) hereof.

“Note” means the Las Virgenes-Triunfo Public Financing Authority [**Tax-Exempt Note (Wells Fargo Credit Agreement)**], such note to be executed and delivered to the Lender on the Closing Date in the form of Exhibit A attached hereto with appropriate insertions, executed and delivered by the Issuer, as the same may be amended, modified, restated or supplemented from time to time by written instrument executed by the Lender and the Issuer.

“Noteholder” means the Lender and each Lender Transferee or Non-Lender Transferee pursuant to the terms hereof so long as such Lender Transferee or Non-Lender Transferee owns an interest in the Note, as applicable, and shall include any holder of Loans or Term Loans.

“Note Counsel” means Stradling Yocca Carlson & Rauth LLP, or any other firm of attorneys nationally recognized on the subject of tax-exempt municipal finance selected by the Authority.

“Notice of Borrowing” has the meaning set forth in Section 2.2(a)(i) hereof.

“Notice of Extension” has the meaning set forth in Section 2.1(b) hereof.

“*Obligations*” means the Loans and Term Loans (which includes amounts owing to the Lender evidenced by and payable under the Note), the Commitment Fees and all other obligations of the Authority and the Issuer to the Lender arising under or in relation to this Agreement, the Fee Agreement or any of the other Related Documents (including any amounts to reimburse the Lender for any advances or expenditures by it under any of such documents), in each case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and however evidenced, held or acquired.

“*OFAC*” means the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“*Payment Agreement Parity Debt*” means (i) the Project Bonds and (ii) any other Debt issued by or on behalf of the Authority or the Issuer secured by a lien on and/or payable from all or any portion of any Purchaser Revenues on a parity basis with the Project Bonds and/or the Obligations.

“*Participant*” has the meaning set forth in Section 7.3(b) hereof.

“*Participation*” has the meaning set forth in Section 7.3(b) hereof.

“*Patriot Act*” has the meaning set forth in Section 7.17 hereof.

“*Payment Account*” means ABA:121000248, Bank: Wells Fargo Bank, Account Number: _____, Account Name: Wires in Process, Address: _____, Reference/ Originator to beneficiary info: Customer Name: _____, Obligor: _____, or such other account as the Lender may designate from time to time.

“*Payment Agreements*” means, collectively, the LVMWD Payment Agreement and the TWSD Payment Agreement.

“*Person*” means an individual, a corporation, a partnership, an association, a limited liability company, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

“*Plan*” means a pension plan providing benefits for employees of any Person.

“*Prime Rate*” means at any time the rate of interest most recently announced within Wells Fargo Bank, National Association at its principal office as its prime rate, with the understanding that the Prime Rate is one of Wells Fargo Bank, National Association’s base rates and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto, and is evidenced by the recording thereof after its announcement in such internal publication or publications as Wells Fargo Bank, National Association may designate; *provided, however*, that if the Prime Rate determined as provided above would be less than zero percent (0%), then the Prime Rate shall be deemed to be zero percent (0%). Each determination of the Prime Rate by Wells Fargo Bank, National Association will be conclusive and binding on the Authority absent manifest error.

“Project” has the meaning set forth in the Payment Agreements.

“Project Bonds” has the meaning set forth in the Payment Agreements.

“Project Participants” means LVMWD and TWSD.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

“Purchaser Revenues” means LVMWD Revenues and TWSD Revenues.

“Rating” means, with respect to any Rating Agency, the lowest of (i) the lowest rating assigned by such Rating Agency to any Payment Agreement Parity Debt (without regard to bond insurance or any other form of credit enhancement) and (ii) the long-term issuer credit rating on the Issuer.

“Rating Agency” and *“Rating Agencies”* means, individually or collectively, as applicable, Moody’s, S&P and/or Fitch.

“Recipient” means the Lender, each Participant, each Noteholder and any other recipient of any payment to be made by or on account of any obligation of the Authority and the Issuer hereunder.

“Related Documents” means this Agreement, the Note, the Fee Agreement, the Tax Certificate, the Installment Purchase Agreement, each Payment Agreement, the Authority Joint Powers Agreement, the Issuer Joint Powers Agreement and all amendments, restatements and supplements thereof in accordance with the respective terms thereof and the terms hereof.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York or any successor thereto.

“Revenues” has the meaning set forth in the Installment Purchase Agreement.

“Risk-Based Capital Guidelines” means (a) the risk-based capital guidelines in effect in the United States of America, including transition rules, and (b) the corresponding capital regulations promulgated by regulatory authorities outside the United States of America including transition rules, and any amendment to such regulations.

“Sanctioned Country” means at any time, a country, region or territory which is itself (or whose government is) the subject or target of any Sanctions (including, as of the Closing Date, Cuba, Iran, North Korea, Syria, Venezuela and Crimea).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC (including OFAC’s Specially Designated Nationals and Blocked Persons List and OFAC’s Consolidated Non-SDN List), the U.S. Department of State, the United Nations Security Council, the European Union, any European member state, His Majesty’s Treasury, or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any such Person or Persons described in clauses (a) and (b), including a Person that is deemed by OFAC to be a Sanctions target based on the ownership of such legal entity by Sanctioned Person(s) or (d) any Person otherwise a target of Sanctions, including vessels and aircraft, that are designated under any Sanctions program.

“Sanctions” means any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and restrictions and anti-terrorism laws, including but not limited to those imposed, administered or enforced from time to time by the U.S. government (including those administered by OFAC or the U.S. Department of State), the United Nations Security Council, the European Union, any European member state, His Majesty’s Treasury, or other relevant sanctions authority in any jurisdiction in which (a) the Authority or the Issuer or any of their respective Subsidiaries or Affiliates is located or conducts business, (b) in which any of the proceeds of the Loans or Term Loans will be used, or (c) from which repayment of the Loans or Term Loans will be derived.

“S&P” means S&P Global Ratings, and any successor rating agency.

“SOFR” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“SOFR Determination Day” has the meaning specified in the definition of “Daily Simple SOFR”.

“SOFR Rate Day” has the meaning specified in the definition of “Daily Simple SOFR”.

“State” means the State of California.

“State Loan Agreement” means the agreement between the Borrower, the Issuer and the California State Water Resources Control Board relating to the Project, as the same may be amended, supplemented, modified or restated in accordance with the terms thereof.

“Subsidiary” of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a *“Master Agreement”*), including any such obligations or liabilities under any Master Agreement.

“Taxable Date” means the date on which interest on any Loan, Term Loan or Note is first includable in the gross income of any holder thereof (including, without limitation, the Lender) as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

“Taxable Period” has the meaning set forth in Section 2.13 hereof.

“Taxable Rate” means, with respect to a Taxable Period, the product of (i) the interest rate on the Note, applicable Loan or applicable Term Loan during such period and (ii) the quotient of (A) one divided by (B) one minus the then current Maximum Federal Corporate Tax Rate.

“Tax Certificate” means each Tax Certificate delivered by the Authority and/or the Issuer as the same may be amended, supplemented, modified or restated in accordance with its terms.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

“Term Loans” has the meaning set forth in Section 2.22(a) hereof.

“*Termination Date*” means the Facility Maturity Date or, if earlier, the date on which the Commitment is terminated or permanently reduced to zero in accordance with the terms hereof.

“*TWSD*” has the meaning set forth in the recitals hereof.

“*TWSD Revenues Debt*” means Debt issued by or on behalf of TWSD secured by a lien on and/or payable from all or any portion of the TWSD Revenues.

“*TWSD Payment Agreement*” means the Payment Agreement dated as of [_____], 2026 by and among the Authority, the Issuer and TWSD, as the same may be amended, supplemented, modified or restated in accordance with the terms thereof and hereof.

“*TWSD Revenues*” has the meaning assigned to the term “Purchaser Revenues” in the TWSD Payment Agreement.

“*TWSD System*” has the meaning assigned to the term “Purchaser System” in the TWSD Payment Agreement.

“*U.S. Government Securities Business Day*” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; *provided*, that for purposes of notice requirements in Section 2.2 hereof, in each case, such day is also a Business Day.

“*Unadjusted Benchmark Replacement*” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“*WIFIA Loan Agreement*” means the WIFIA Loan Agreement among the Issuer, the Authority and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency relating to the Las Virgenes-Triunfo Public Financing Authority Pure Water Project Las Virgenes-Triunfo (WIFIA ID – N22127CA) WIFIA Note, as the same may be amended, supplemented, modified or restated in accordance with the terms thereof.

“*2025 Financial Statements*” means, as applicable, the audited financial statements of the Authority for the Fiscal Year ended June 30, 2025.

Section 1.2. Incorporation of Certain Definitions by Reference. Each capitalized term used herein and not otherwise defined herein shall have the meaning provided therefor in the Installment Purchase Agreement.

Section 1.3. Accounting Terms and Determinations. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles.

Section 1.4. Interpretation. The following rules shall apply to the construction of this Agreement and the Fee Agreement unless the context requires otherwise: (a) the singular includes

the plural, and the plural the singular; (b) words importing any gender include the other gender and the neuter gender; (c) references to statutes are to be construed as including all statutory provisions consolidating, and all regulations promulgated pursuant to, such statutes; (d) references to “writing” include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible form; (e) the words “including,” “includes” and “include” shall be deemed to be followed by the words “without limitation”; (f) references to the introductory paragraph, recitals, articles, sections (or clauses or subdivisions of sections), exhibits, appendices, annexes or schedules are to those of this Agreement unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent that such amendments and other modifications are permitted or not prohibited by the terms of this Agreement; (h) article and section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose; and (i) unless otherwise indicated, references to Persons include their respective permitted successors and assigns; and (j) in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding.” All references to “funds” herein shall include all accounts and subaccounts therein unless the context clearly requires otherwise

Section 1.5. Rates. Section 2.4(d) of this Agreement provides a mechanism for determining an alternative rate of interest in the event that any Benchmark is no longer available or in certain other circumstances. Each of the Calculation Agent and the Lender do not warrant or accept any responsibility for and shall not have any liability with respect to, (a) the continuation of, administration of, submission of or calculation of, or any other matter related to, any Benchmark or any component definition thereof or rates referred to in the definition thereof, or any alternative or successor rate thereto, or replacement rate therefor (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 2.4(d) hereof, including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, such Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Calculation Agent, the Lender and their respective Affiliates and its affiliates or other related entities may engage in transactions that affect the calculation of any Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Authority or any other person or entity. The Calculation Agent and the Lender may select information sources or services in its reasonable discretion to ascertain any Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Authority or any other Person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

Section 1.6. Relation to Other Documents; Acknowledgment of Different Provisions of Related Documents; Incorporation by Reference. (a) Nothing in this Agreement shall be deemed

to amend, or relieve the Authority or the Issuer of their respective obligations under, any Related Document to which it is a party. Conversely, to the extent that the provisions of any Related Document allow the Authority or the Issuer to take certain actions, or not to take certain actions, with regard for example to permitted liens, transfers of assets, maintenance of financial ratios and similar matters, the Authority and the Issuer nevertheless shall be fully bound by the provisions of this Agreement.

(b) Except as provided in subsection (c) of this Section 1.6, all references to other documents shall be deemed to include all amendments, modifications and supplements thereto to the extent such amendment, modification or supplement is made in accordance with the provisions of such document and this Agreement.

(c) All provisions of this Agreement making reference to specific Sections of any Related Document shall be deemed to incorporate such Sections into this Agreement by reference as though specifically set forth herein (with such changes and modifications as may be herein provided) and shall continue in full force and effect with respect to this Agreement notwithstanding payment of all amounts due under or secured by the Related Documents, the termination or defeasance thereof or any amendment thereto or any waiver given in connection therewith, so long as this Agreement is in effect and until all Obligations are paid in full. No amendment, modification, consent, waiver or termination with respect to any of such Sections shall be effective as to this Agreement until specifically agreed to in writing by the parties hereto with specific reference to this Agreement.

ARTICLE TWO

THE CREDIT FACILITY

Section 2.1. Commitment to Lend. During the Credit Period, the Lender agrees, on the terms and conditions set forth in this Agreement, to make non-revolving loans to the Authority and the Issuer pursuant to this Section 2.1 from time to time in amounts such that the aggregate principal amount of Loans by the Lender made hereunder shall not exceed the amount of the Commitment. Within the foregoing limit and subject to the terms and conditions of Section 2.2 hereof, the Authority and the Issuer may borrow under this subsection (a), repay or, to the extent permitted by Section 2.9 hereof, prepay, the Loans during the Credit Period under this subsection (a). No amount of any Loan may be reborrowed once any portion of such Loan is repaid and the Commitment shall not be reinstated with respect to such Loan or otherwise modified by any such prepayments. Each Borrowing shall be made solely for the purpose of providing funds to pay costs of a Project, costs of issuance in connection with this Agreement or any other purpose permitted under the Installment Purchase Agreement.

Section 2.2. Method of Borrowing, Continuing Loans; Account to which Proceeds of Loans to be Credited. (a) In the case of any Borrowing, the Authority and the Issuer shall give the Lender notice in the form of Exhibit B hereto, executed by an Authorized Authority Representative and an Authorized Issuer Representative (a “*Notice of Borrowing*”), and the Authority or the

Issuer shall telephonically confirm the Lender's receipt of such Notice of Borrowing, by not later than 9:00 a.m. (Pacific time) on any Business Day, specifying:

(i) the date of such Borrowing, which shall be a Business Day during the Credit Period that is at least three (3) Business Days following the Lender's receipt of such Notice of Borrowing;

(ii) the aggregate amount of such Borrowing, which shall not exceed the difference between (A) the amount of the Commitment and (B) the aggregate principal amount of Loans then outstanding; and

(iii) that the following items are attached and delivered to Note Counsel, a tax certificate or supplement to an existing Tax Certificate, including a completed Form 8038-G, relating to such Borrowing, in each case in a form acceptable to Note Counsel.

(b) Subject to the provisions of subsection (a) of this Section 2.2, by not later than 12:30 p.m. (Pacific time) on the date of each Borrowing, the Lender shall, subject to satisfaction of the requirements of this Section 2.2 and Article III hereof, wire transfer, in federal or other immediately available funds, the proceeds of such Borrowing to the Authority on the Borrowing date specified in the Notice of Borrowing, so long as such Borrowing date occurs during the Credit Period and is at least three (3) Business Days following the Lender's receipt of such Notice of Borrowing, as specified in such Notice of Borrowing, in immediately available funds, an amount equal to the Loan thereby requested. The Lender shall wire transfer, in federal or other immediately available funds, the proceeds of such Borrowing to the following account: Account Name: _____, Bank Name: _____, ABA Number: _____, Account Number: _____; *provided, however*, that the Authority may, from time to time, change such account by written notice to the Lender, executed by an Authorized Authority Representative, given to the Lender at its address referred to in Section 7.2 hereof. Notwithstanding the foregoing, in the event such Notice of Borrowing is received by the Lender after 9:00 a.m. (Pacific time) on the Business Day which is three (3) Business Days immediately prior to the day of the proposed borrowing, the Lender shall be required to make the related Borrowing by 12:30 p.m. (Pacific time) on the fourth (4th) Business Day after receipt of the related Notice of Borrowing.

(c) The Lender shall not be obligated to honor more than two Borrowings during any thirty (30) day period.

(d) Each Loan shall be in the principal amount requested by the Authority pursuant to each notice in the form of Exhibit B hereto but in any event in a minimum principal amount of \$1,000,000 or such greater amount which is an integral multiple of \$250,000 in excess thereof.

Section 2.3. Maturity of Loans and Term Loans. (a) Each Loan included in any Borrowing shall mature, and the principal amount thereof (together with all accrued and unpaid interest therein) shall be due and payable by the Authority and the Issuer on the Facility Maturity Date or such earlier date on which all Loans or the related Loans become due and payable in accordance with the terms hereof.

(b) The Term Loans shall mature, and the principal amount thereof (together with all accrued and unpaid interest thereon) shall be due and payable by the Authority and the Issuer on the Amortization End Date or such earlier date on which all Term Loans become due and payable in accordance with the terms hereof.

Section 2.4. Interest Rates. (a) Subject to subsections (c), (d) and (e) below, and Section 2.15 hereof, each Loan (other than a Term Loan) shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is advanced until it is paid in full, at a rate per annum equal to the Daily SOFR Rate, and such interest shall be payable by the Authority and the Issuer on each Interest Payment Date.

(b) Interest on the Loans and Term Loans is to be excluded from gross income for federal income tax purposes. Interest on other amounts owing hereunder (other than Loans and Term Loans) is to be includable in the Lender's gross income for federal income tax purposes.

(c) The Calculation Agent shall determine the initial Daily SOFR Rate for the initial Loan on the date on which the Lender honors the related Request for Borrowing and makes the funds requested available hereunder. The Calculation Agent shall determine the Daily SOFR Rate on each SOFR Determination Day while each Loan remains unpaid. Interest on each Loan shall accrue each day such Loan is outstanding commencing on and including the date such Loan is advanced by the Lender hereunder until such Loan is paid in full. Notwithstanding the foregoing, with respect to a Loan designated to bear interest with respect to the Daily SOFR Rate that is advanced pursuant to new Borrowing, the rate for such Loan shall be the same rate as for all outstanding Loans bearing interest with respect to the Daily SOFR Rate. The Lender will consolidate all outstanding Loans for administrative purposes.

(d) *Circumstances Affecting Benchmark Availability.* Subject to clause (iii) below, in connection with any request for a SOFR Loan or a conversion to or continuation thereof or otherwise, if for any reason (i) the Calculation Agent or the Lender shall determine (which determination shall be conclusive and binding absent manifest error) that reasonable and adequate means do not exist for ascertaining Daily Simple SOFR pursuant to the definition thereof or (ii) the Lender shall determine (which determination shall be conclusive and binding absent manifest error) that Daily Simple SOFR does not adequately and fairly reflect the cost to the Lender of making or maintaining such Loans. Upon notice thereof by the Lender to the Authority, any obligation of the Lender to make SOFR Loans, and any right of the Authority to convert any Loan to or continue any Loan as a SOFR Loan, shall be suspended (to the extent of the affected SOFR Loans) until the Lender revokes such notice. Upon receipt of such notice, (A) the Authority may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans (to the extent of the affected SOFR Loans) or, failing that, the Authority will be deemed to have converted any such request into a request for a borrowing of or conversion to Loans bearing interest at the Alternate Base Rate in the amount specified therein and (B) any outstanding affected SOFR Loans will be deemed to have been converted into Loans bearing interest at the Alternate Base Rate immediately. Upon any such repayment or conversion, the Authority shall also pay accrued interest on the amount so repaid or converted, together with any additional amounts required pursuant to Section 2.06.

(ii) *Laws Affecting SOFR Availability.* If, after the date hereof, the introduction of, or any change in, any Applicable Law or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Calculation Agent or the Lender with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, shall make it unlawful or impossible for the Lender to honor its obligations hereunder to make or maintain any SOFR Loan, or to determine or charge interest based upon SOFR, Daily Simple SOFR, the Calculation Agent shall promptly give notice to the Authority (an “*Illegality Notice*”). Thereafter, until the Lender notifies the Authority that the circumstances giving rise to such determination no longer exist, any obligation of the Lender to make SOFR Loans, and any right of the Authority to continue any SOFR Loan, shall be suspended. Upon receipt of an Illegality Notice, the Authority shall, if necessary to avoid such illegality, upon demand from the Lender, prepay or, if applicable, convert all SOFR Loans to Alternate Base Rate Loans, on the Interest Payment Date therefor, if the Lender may lawfully continue to maintain such SOFR Loans to such day, or immediately, if the Lender may not lawfully continue to maintain such SOFR Loans to such day. Upon any such prepayment or conversion, the Authority shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.06.

(iii) *Benchmark Replacement Setting.*

(A) *Benchmark Replacement.* Notwithstanding anything to the contrary herein or in any other Related Document, upon the occurrence of a Benchmark Transition Event, the Lender and the Authority may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Lender has provided such proposed amendment to the Authority. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 2.11(c)(i)(A) will occur prior to the applicable Benchmark Transition Start Date.

(B) *Benchmark Replacement Conforming Changes.* In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Related Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Related Document.

(C) *Notices; Standards for Decisions and Determinations.* The Lender will promptly notify the Authority of (1) the implementation of any Benchmark Replacement and (2) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Lender will promptly notify the Authority of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.11(c)(iv). Any determination, decision or election that may be made by the Lender pursuant to this Section 2.11(c), including any determination

with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Related Document, except, in each case, as expressly required pursuant to this Section 2.11(c).

(D) *Unavailability of Tenor of Benchmark.* Notwithstanding anything to the contrary herein or in any other Related Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Lender in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Lender may modify this Agreement for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Lender may modify this Agreement for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(E) *Benchmark Unavailability Period.* Upon the Authority's receipt of notice of the commencement of a Benchmark Unavailability Period, (A) the Authority may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Authority will be deemed to have converted any such request into a request for a borrowing of or conversion to Alternate Base Rate Loans and (B) any outstanding affected SOFR Loans will be deemed to have been converted to Alternate Base Rate Loans immediately.

(F) *Approving Opinion of Note Counsel.* The Authority and the Issuer shall cause an Approving Opinion of Note Counsel to be delivered each time a new Benchmark Replacement is determined for calculation of the interest rate with respect to the Loans.

(e) Upon a Determination of Taxability, all Loans and Term Loans shall bear interest at the Taxable Rate.

(f) Subject to Section 2.15 hereof, the Term Loans shall bear interest on the outstanding principal amount thereof, for each date from the date of extension of such Term Loan until it becomes due, at a rate per annum equal to the Lender Rate. Such interest shall be payable by the Authority and the Issuer on each Interest Payment Date and on the Amortization End Date (or such earlier date on which all Term Loans become due and payable in accordance with the terms hereof).

Section 2.5. Fees. (a) The Authority and the Issuer hereby agree to pay and perform their obligations provided for in the Fee Agreement, including the payment by the Authority and the Issuer to the Lender of the nonrefundable Commitment Fees and the other fees, expenses and payments described in the Fee Agreement at the times, on the dates and in the amounts specified in the Fee Agreement, the terms of such Fee Agreement being incorporated herein by reference as if fully set forth herein. Any references herein or in any other document to the Commitment Fee and such other fees, expenses and payments owed to the Lender hereunder without specific reference to the Fee Agreement shall be read so as to include the Fee Agreement, and any reference to this Agreement shall be deemed to include a reference to the Fee Agreement. The Fee Agreement and this Agreement shall be construed as one agreement among the Authority, the Issuer and the Lender and all obligations under the Fee Agreement shall be construed as obligations hereunder.

(b) If the Authority or the Issuer shall fail to pay any amount payable hereunder and/or under the Fee Agreement as and when due, each such unpaid amount shall bear interest for each day from and including the date it was due until paid in full at the applicable Default Rate and shall be payable by the Authority and the Issuer on demand.

(c) The Authority and the Issuer shall pay within thirty (30) days after demand any amounts advanced by or on behalf of the Lender to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any Related Document, together with interest at the Default Rate.

Section 2.6. The Note. (a) All Loans and Term Loans shall be made against and evidenced by the Note. All Loans and Term Loans and all payments and prepayments on account of the principal of and interest on each Loan and Term Loan shall be recorded by the Lender on its books and records, which books and records shall, absent manifest error, be conclusive as to amounts payable by the Authority and the Issuer hereunder and under the Note.

(b) The Authority's and the Issuer's obligations to repay each Loan and Term Loan and to pay interest thereon as provided herein shall be evidenced and secured by the Note, and the Authority and the Issuer shall pay amounts under the Note on each date on which the Authority and the Issuer are required to make a principal payment on the related Loan or Term Loan, as applicable, in an amount equal to the related Loan or Term Loan, as applicable, payment due on such date. The payment of the principal of and interest on the Note shall constitute payment of the principal of and interest on the related Loan or Term Loan, as applicable, and the payment of the principal of and interest on the related Loan or Term Loan, as applicable, shall constitute the payment of principal and interest on the Note and the failure to make any payment on any Loan or Term Loan, as applicable, when due shall be a failure to make a payment on the Note and the failure to make any payment on the Note when due shall be a failure to make a payment on the related Loan or Term Loan, as applicable.

Section 2.7. Optional Termination or Reduction of Commitment. During the Credit Period, the Authority and the Issuer may, upon at least three (3) Business Days' written notice to the Lender, (i) terminate the Commitment at any time, if no Loans are outstanding at such time, or (ii) reduce the Commitment from time to time by an aggregate amount of \$1,000,000 or any larger

integral multiple of \$100,000, *provided*, that, after giving effect to such reduction of the Commitment, the Commitment shall be not less than the amount of the aggregate outstanding principal amount of the Loans.

Section 2.8. Mandatory Termination or Reduction of Commitment. (a) The Commitment shall terminate on the Termination Date, and any Loans then outstanding (together with accrued interest thereon and all other amounts payable hereunder) shall be due and payable by the Authority and the Issuer on such date, unless such Loans are converted to Term Loans as provided in Section 2.22 hereof.

(b) If at any time an Event of Default shall have occurred and be continuing, the Lender may deliver a written notice to that effect to the Authority and the Issuer, and the Commitment shall immediately terminate.

(c) In the event and on such occasion that the principal amount of Loans exceeds the Commitment, the Authority and the Issuer shall prepay the Loans in an aggregate amount equal to such excess.

Section 2.9. Optional Prepayments. The Authority and the Issuer may, upon at least ten (10) Business Days' prior written notice to the Lender, prepay any Borrowing in whole at any time, or from time to time in part in amounts aggregating \$1,000,000 or any larger integral multiple of \$50,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment.

Section 2.10. General Provisions as to Payments. The Authority and the Issuer shall make each payment of the principal of, and interest on, the Loans and Term Loans and of fees hereunder and under the Fee Agreement, not later than 1:00 p.m. (Pacific time) on the date when due, in federal or other funds immediately available in Los Angeles, to the Lender at the Payment Account.

Section 2.11. Computation of Interest and Fees. Interest with respect to Daily SOFR Rate Loans and fees shall be calculated on the basis of a 360-day year based upon the actual number of days elapsed and interest with respect to Alternate Rate Loans and Term Loans shall be calculated on the basis of a 365 or 366 day year, as applicable, and the actual number of days elapsed.

Section 2.12. Funding Indemnity. With respect to each Benchmark Replacement, if the Lender shall incur any loss, cost or expense (including, without limitation, any loss, cost or expense incurred by reason of the liquidation or re-employment of deposits or other funds acquired by the Lender to make any Loan or the relending or reinvesting of such deposits or amounts paid or prepaid to the Lender) as a result of:

(i) any payment, prepayment or conversion of any Loan on a date other than the last day of its Interest Period,

(ii) any failure (because of a failure to meet the conditions of Section 3.2 hereof or otherwise) by the Authority and the Issuer to borrow or continue a Loan, on the date specified in a notice given pursuant to Section 2.2(a) hereof,

(iii) any failure by the Authority and the Issuer to make any payment of principal on any Loan when due (whether by acceleration or otherwise), or

(iv) any acceleration of the maturity of a Loan as a result of the occurrence of any Event of Default hereunder,

then, upon the demand of the Lender, the Authority and the Issuer shall pay to the Lender such amount as will reimburse the Lender for such loss, cost or expense. If the Lender makes such a claim for compensation, it shall provide to the Authority and the Issuer a certificate setting forth the amount of such loss, cost or expense in reasonable detail and the amounts shown on such certificate shall be conclusive and binding on the Authority and the Issuer absent manifest error.

Section 2.13. Determination of Taxability. (i) In the event a Determination of Taxability occurs, the Authority and the Issuer hereby agree to pay to the Lender and each Noteholder within thirty (30) days of demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to the Lender and such Noteholder on the Note, Loan or Term Loan during the period for which interest on the such Note, Loan or Term Loan is included in the gross income of the Lender and such Noteholder if the Note, Loan or Term Loan had borne interest at the Taxable Rate, beginning on the Taxable Date (the “*Taxable Period*”), and (B) the amount of interest actually paid to the Lender and such Noteholder during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by the Lender and such Noteholder as a result of interest on the Note, Loan or Term Loan becoming included in the gross income of the Lender and such Noteholder, together with any and all reasonable attorneys’ fees, court costs, or other reasonable out-of-pocket costs incurred by the Lender and such Noteholder in connection therewith;

(ii) Subject to the provisions of clause (iii) below, the Lender and such Noteholder shall afford the Authority and the Issuer the opportunity, at the Authority’s and the Issuer’s sole cost and expense, to contest (1) the validity of any amendment to the Internal Revenue Code which causes the interest on the Note, Loan or Term Loan to be included in the gross income of Lender and such Noteholder or (2) any challenge to the validity of the tax exemption with respect to the interest on the Note, Loan or Term Loan, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); *provided that*, in no event shall the Lender or a Noteholder be required to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Authority and the Issuer or any other Person; and

(iii) As a condition precedent to the exercise by the Authority and the Issuer of its right to contest set forth in clause (ii) above, the Authority and the Issuer shall, upon reasonable demand, within thirty (30) days, reimburse the Lender and such Noteholder for any and all reasonable expenses (including reasonable attorneys’ fees for services that may be required or desirable, as

determined by the Lender and such Noteholder in its reasonable discretion) that may be incurred by the Lender and such Noteholder in connection with any such contest, and shall, within thirty (30) days from demand, reimburse Lender and such Noteholder for any and all penalties or other charges payable by the Lender or such Noteholder for failure to include such interest in its gross income.

(iv) Without prejudice to the survival of any other agreement of the Authority and the Issuer hereunder, the agreements and obligations of the Authority and the Issuer contained in this Section 2.13 shall survive the termination of this Agreement and the payment in full of the Obligations of the Authority and the Issuer thereunder and hereunder.

Section 2.14. Payment Due on Non-Business Day to Be Made on Next Business Day. If any sum becomes payable pursuant to this Agreement or the Fee Agreement on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

Section 2.15. Default Rate. Upon the occurrence and during the continuance of an Event of Default, all Obligations payable hereunder (for avoidance of doubt, excluding any fees which are not yet due and payable) shall bear interest until paid in full at a rate per annum equal to the Default Rate.

Section 2.16. Net of Taxes, Etc. (a) Any and all payments to the Lender or any Noteholder by the Authority and the Issuer hereunder or with respect to the Loans and Term Loans shall be made free and clear of and without deduction or withholding for any and all Indemnified Taxes. If the Authority and the Issuer shall be required by law to deduct or withhold any Indemnified Taxes imposed by the United States of America or any political subdivision thereof from or in respect of any sum payable hereunder or with respect to the Loans and/or Term Loans, then (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.16) the Lender or such Noteholder receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Authority and the Issuer shall make such deductions and (iii) the Authority shall timely pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Authority and the Issuer shall make any payment under this Section 2.16 to or for the benefit of the Lender or such Noteholder with respect to Indemnified Taxes and if the Lender or such Noteholder shall claim any credit or deduction for such Indemnified Taxes against any other taxes payable by the Lender or such Noteholder to any taxing jurisdiction in the United States of America then the Lender or such Noteholder shall pay to the Authority and the Issuer an amount equal to the amount by which such other taxes are actually reduced; *provided*, that the aggregate amount payable by the Lender or such Noteholder pursuant to this sentence shall not exceed the aggregate amount previously paid by the Authority and the Issuer with respect to such Indemnified Taxes. In addition, the Authority and the Issuer agree to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or any state of the United States from any payment made hereunder or under the Loans, the Term Loans or from the execution or delivery of this Agreement or the Note, or otherwise with respect

to this Agreement, the Loans or the Term Loans (hereinafter referred to as “*Other Taxes*”). The Lender or such Noteholder shall provide to the Authority and the Issuer within a reasonable time a copy of any written notification it receives with respect to Indemnified Taxes or Other Taxes owing by the Authority and the Issuer to the Lender or such Noteholder hereunder; *provided*, that the Lender or such Noteholder’s failure to send such notice shall not relieve the Authority of its obligation to pay such amounts hereunder. The Authority and the Issuer may conduct a reasonable contest of any such Indemnified Taxes with the prior written consent of the Lender, which consent shall not be unreasonably withheld or delayed; *provided*, that the Authority and the Issuer shall, on demand, immediately reimburse the Lender for any and all expenses (including attorneys’ fees for services that may be required or desirable, as determined by the Lender in its sole discretion) that may be incurred by the Lender in connection with any such contest.

(b) The Authority and the Issuer shall, to the fullest extent permitted by law and subject to the provisions hereof, pay the Lender or such Noteholder for the full amount of Indemnified Taxes and Other Taxes including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.16 paid by the Lender or such Noteholder or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted; *provided*, that the Authority and the Issuer shall not be obligated to pay the Lender or such Noteholder for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from the Lender or such Noteholder’s gross negligence or willful misconduct. The Lender or such Noteholder agrees to give notice to the Authority and the Issuer of the assertion of any claim against the Lender or such Noteholder relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided*, that the Lender or such Noteholder’s failure to notify the Authority and the Issuer promptly of such assertion shall not relieve the Authority of its obligation under this Section 2.16. Payments by the Authority and the Issuer pursuant to this Section 2.16 shall be made within thirty (30) days from the date the Lender or such Noteholder makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Lender or such Noteholder agrees to repay to the Authority and the Issuer any refund (including that portion of any interest that was included as part of such refund) with respect to Indemnified Taxes or Other Taxes paid by the Authority and the Issuer pursuant to this Section 2.16 received by the Lender or such Noteholder for Indemnified Taxes or Other Taxes that were paid by the Authority and the Issuer pursuant to this Section and to contest, with the cooperation and at the expense of the Authority and the Issuer, any such Indemnified Taxes or Other Taxes which the Lender or such Noteholder or the Authority and the Issuer reasonably believe not to have been properly assessed.

(c) Within thirty (30) days after the date of any payment of Indemnified Taxes by the Authority and the Issuer, the Authority and the Issuer shall furnish to the Lender the original or a certified copy of a receipt evidencing payment thereof.

(e) The obligations of the Authority and the Issuer under this Section 2.16 shall survive the termination of this Agreement and the repayment of all Obligations hereunder.

Section 2.17. Increased Costs.

(a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, the Lender or any Recipient;

(ii) subject any Recipient to any Taxes of any kind whatsoever with respect to this Agreement, or change the basis of taxation of payments to the Lender or such Recipient in respect thereof (except for Indemnified Taxes covered by Section 2.16 hereof and the imposition of, or any change in the rate of any Excluded Tax payable by the Lender or any Recipient); or

(iii) impose on the Lender or any Recipient any other condition, cost or expense affecting this Agreement or the Fee Agreement or any participation therein;

and the result of any of the foregoing shall be to increase the cost to the Lender or such Recipient related to issuing or maintaining this Agreement, the Commitment or any Loan or Term Loan, or to reduce the amount of any sum received or receivable by the Lender or such Recipient hereunder (whether of principal, interest or any other amount) then, upon written request of the Lender, the Authority and the Issuer shall promptly pay to the Lender (for the Lender or such Recipient, as the case may be) such additional amount or amounts as will compensate the Lender or such Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If the Lender or any Recipient determines that any Change in Law affecting the Lender or such Recipient or the Lender's or such Recipient's parent or holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on the Lender's or such Recipient's capital or liquidity or the capital or liquidity of such Lender's or such Recipient's parent or holding company holding, if any, as a consequence of this Agreement, or for maintaining this Agreement, the Commitment or any Loan or Term Loan, to a level below that which the Lender or such Recipient or the Lender's or such Recipient's parent or holding company could have achieved but for such Change in Law (taking into consideration the Lender's or such Recipient's policies and the policies of the Lender's or such Recipient's parent or holding company with respect to capital or liquidity adequacy), then from time to time upon written request of the Lender the Authority and the Issuer shall promptly pay to the Lender (for the Lender or such Recipient, as the case may be) such additional amount or amounts as will compensate the Lender or such Recipient or the Lender's or such Recipient's parent or holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of the Lender or a Recipient setting forth the amount or amounts necessary to compensate the Lender or any such Recipient or the Lender's or any such Recipient's parent or holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Authority and the Issuer, shall be conclusive absent manifest error. The Authority and the Issuer shall pay the Lender or any such Recipient, as the case may be, the amount shown as due on any such certificate within thirty (30) days after receipt thereof. Each Recipient shall have the benefits of this Section 2.17, but

shall not be entitled to receive any greater payment under such Section than the Lender would have been entitled to receive in connection with the rights transferred. The benefits of this Section 2.17 shall be available to the Lender's parent or holding company and each Noteholder's parent or holding company, to the extent that the events described herein, creating increased costs, affect the Lender's parent or holding company or such Noteholder's holding company.

(d) *Delay in Requests.* Failure or delay on the part of the Lender or any such Recipient to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of the Lender's right to demand such compensation.

(e) *Survival.* The obligations of the Authority and the Issuer under this Section 2.17 shall survive the termination of this Agreement and the repayment of all Obligations hereunder.

Section 2.18. Margin Regulations. No portion of the proceeds of any Loans or Term Loans shall be used by the Authority and the Issuer (or the Depositary or any other Person on behalf of the Authority and the Issuer) for the purpose of "purchasing" or "carrying" any margin stock or used in any manner which might cause the borrowing or the application of such proceeds to violate Regulation U, Regulation T, or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation of said Board of Governors or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect on the date or dates of such Loans or Term Loans and such use of proceeds.

Section 2.19. Maximum Rate; Payment of Fee. Anything in this Agreement to the contrary notwithstanding, if the rate of interest due hereunder shall exceed the Maximum Rate for any period for which interest is payable, then (i) interest at the Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof without regard to the Maximum Rate and (B) the Maximum Rate (the "*Excess Interest*"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time the Authority and the Issuer shall pay to the Lender, with respect to amounts then payable to the Lender that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Lender to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Lender. Upon the termination of the Commitment and/or this Agreement, in consideration for the limitation of the rate of interest otherwise payable hereunder, the Authority and the Issuer shall pay to the Lender a fee equal to the amount of all unpaid deferred Excess Interest.

Section 2.20. Security for Obligations and Pledge. Under the Payment Agreements, subject to Sections 5.1(p) and 5.2(p) hereof, the Authority and the Issuer shall cause the Project Participants to pay their Allocated Share (as defined in the related Payment Agreement) of Debt Service (as defined in the related Payment Agreement) from Purchaser Revenues under the Payment Agreements. To secure the payment of all Obligations hereunder and under the Fee Agreement, the Authority and the Issuer hereby irrevocably grant to the Lender a first priority pledge of, charge on, and lien upon all Revenues. It is hereby acknowledged and agreed that the pledge of, charge and lien on all Revenues herein provided shall be for the equal and proportionate

benefit and security for the payment of the Obligations and the other Installment Purchase Agreement Parity Debt, all of which shall be of equal rank without preference, priority or distinction as to lien or otherwise. The pledge of, charge and lien on hereby granted in all Revenues shall remain effective so long as any amounts may be drawn hereunder or any Obligations remain outstanding under this Agreement. No filing, registration, recording or publication of this Agreement, the Installment Purchase Agreement or any other instrument or Related Document is required to establish the pledge provided for thereunder or hereunder or to perfect, protect or maintain the pledge of, charge and lien created thereby on the Revenues to secure the payment of the Obligations in full. The pledge of all Revenues herein constitutes a valid pledge of and charge and lien upon all Revenues, has attached and is effective, binding, and enforceable against the Authority and the Issuer, their successors, purchasers of any of the Revenues, creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien on, security interest in and pledge of the Revenues and without the need for any physical delivery, recordation, filing or further act.

Section 2.21. Method of Payment; Etc. All payments to be made by, or on behalf of, the Authority and the Issuer under this Agreement and the Fee Agreement shall be made at the Payment Account not later than 1:00 P.M. (Pacific time) on the date when due and shall be made in lawful money of the United States of America in freely transferable and immediately available funds. All payments received by the Lender after 1:00 P.M. (Pacific time) shall be deemed to have been made on the next succeeding Business Day and any applicable interest or fees shall continue to accrue.

Section 2.22. Term Loans.

(a) *Generally.* (i) On the Facility Maturity Date, so long as (A) the Authority and the Issuer shall have delivered to the Lender a written request in the form of Exhibit C hereto no later than thirty (30) days prior to the Facility Maturity Date, (B) immediately before and as a result of giving effect to such conversion, no Default or Event of Default shall have occurred and be continuing on the Facility Maturity Date, or would result from the making of any Term Loan, (C) the representations and warranties of the Authority and the Issuer set forth in Article Four hereof are true and correct in all material respects as if made as of the Facility Maturity Date and (D) the Lender shall not have terminated its obligation to make Term Loans as a result of an Event of Default pursuant to Section 6.2(b) hereof, the Loans, if any, maturing on such date shall be automatically converted to term loans (each a “*Term Loan*” and collectively the “*Term Loans*”), the proceeds of which shall be deemed to have refunded the Loans. Notwithstanding anything to the contrary contained herein, in the event that on the Facility Maturity Date, any of the conditions precedent set forth in the immediately preceding sentence are not satisfied, all Loans will be due and payable by the Authority and the Issuer in full on the Facility Maturity Date.

(ii) The Term Loans shall be evidenced by the Note. The Term Loans may be repaid in whole or in part on any Business Day upon prior written notice from the Authority and the Issuer to the Lender.

(b) *Repayment.* The Authority and the Issuer shall pay to the Lender the outstanding principal amount of the Term Loans in equal (as nearly as possible) installments on each

Amortization Payment Date and on the Amortization End Date; *provided, however*, that, notwithstanding anything contained herein to the contrary, the entire principal amount of the Term Loans, plus accrued and unpaid interest thereon, shall be due and payable in full on the Amortization End Date (or such earlier date on which all Term Loans become due and payable in accordance with the terms hereof).

ARTICLE THREE

CONDITIONS PRECEDENT

Section 3.1. Conditions Precedent to the Effectiveness of this Agreement. As conditions precedent to the obligation of the Lender to establish the Commitment and execute and deliver this Agreement, the Authority and the Issuer shall provide to the Lender on the Closing Date, each in form and substance satisfactory to the Lender and its counsel, Chapman and Cutler LLP (hereinafter, “*Lender’s Counsel*”):

(a) *Approvals.* (i) The Lender shall have received an executed counterpart of this Agreement duly executed by the Authority, the Issuer and the Lender, an executed counterpart of the Fee Agreement duly executed by the Authority, the Issuer and the Lender, an executed original of the Note, and executed copies of the other Related Documents. (ii) The Lender shall have received copies of all action taken by the Authority (including, without limitation, any resolution adopted or passed by the Authority in connection therewith) approving the execution and delivery by the Authority of this Agreement, the Fee Agreement and the other Related Documents, in each case, certified by an authorized official of the Authority as complete and correct as of the date hereof. (iii) The Lender shall have received copies of all action taken by the Issuer (including, without limitation, any resolution adopted or passed by the Issuer in connection therewith) approving the execution and delivery by the Issuer of this Agreement, the Fee Agreement, the Note and the other Related Documents to which the Issuer is a party, in each case, certified by an authorized official of the Issuer as complete and correct as of the date hereof.

(b) *Incumbency of Officials.* (i) The Lender shall have received an incumbency certificate of the Authority in respect of each of the officials who is authorized to (a) sign this Agreement, the Fee Agreement, the other Related Documents on behalf of the Authority and (b) take actions for the Authority under this Agreement, the Note, and the Related Documents. (ii) The Lender shall have received an incumbency certificate of the Issuer in respect of each of the officials who is authorized to (a) sign this Agreement, the Note, the Fee Agreement and the other Related Documents to which the Issuer is a party on behalf of the Issuer and (b) take actions for the Issuer under this Agreement and the other Related Documents.

(c) *Opinion of Note Counsel.* The Lender shall have received an opinion addressed to the Lender and dated the Closing Date of Note Counsel as to the due authorization, execution and delivery of this Agreement and the Notes and as to the validity and enforceability with respect to the Authority of this Agreement, the Note and the other Related Documents, the pledge of and lien on the Revenues securing the Note and the

Obligations constituting a valid pledge, and such other matters as the Lender may reasonably request, in form and substance satisfactory to the Lender and its counsel.

(d) *Opinions of Counsel to the Authority and Issuer; Opinions of Counsel to the Project Participants.* (i) The Lender shall have received an opinion addressed to the Lender and dated the Closing Date of the general counsel for the Authority, in form and substance satisfactory to the Lender, and addressing (A) the Authority's existence, (B) the Authority's power and authority to enter into this Agreement, the Fee Agreement and the other Related Documents to which it is a party and to perform its obligations hereunder and thereunder, (C) the Authority's execution and delivery of this Agreement, the Fee Agreement and the other Related Documents to which it is a party, (D) the enforceability of the Authority's obligations under this Agreement, the Fee Agreement and the other Related Documents to which it is a party, (E) that the Authority has obtained all consents necessary to execute, deliver and perform this Agreement, the Fee Agreement and the other Related Documents to which it is a party, (F) the execution and delivery of this Agreement, the Fee Agreement and the other Related Documents to which it is a party by the Authority will not violate any law, order or agreement to which the Authority is subject or to which the Authority is a party, and (G) there is no litigation pending or threatened against the Authority that would prevent the Authority from executing and delivering this Agreement, the Fee Agreement and the other Related Documents to which it is a party or performing its obligations hereunder and thereunder.

(ii) The Lender shall have received an opinion addressed to the Lender and dated the Closing Date of the general counsel for the Issuer, in form and substance satisfactory to the Lender, and addressing (A) the Issuer's existence, (B) the Issuer's power and authority to enter into this Agreement, the Fee Agreement and the other Related Documents to which it is a party and to perform its obligations hereunder and thereunder, (C) the Issuer's execution and delivery of this Agreement, the Fee Agreement, the Note and the other Related Documents to which it is a party, (D) the enforceability of the Issuer's obligations under this Agreement, the Fee Agreement, the Note and the other Related Documents to which it is a party, (E) that the Issuer has obtained all consents necessary to execute, deliver and perform this Agreement, the Fee Agreement, the Note and the other Related Documents to which it is a party, (F) the execution and delivery of this Agreement, the Fee Agreement, the Note and the other Related Documents to which it is a party by the Issuer will not violate any law, order or agreement to which the Issuer is subject or to which the Issuer is a party, and (G) there is no litigation pending or threatened against the Issuer that would prevent the Issuer from executing and delivering this Agreement, the Fee Agreement, the Note and the other Related Documents to which it is a party or performing its obligations hereunder and thereunder.

(iii) The Lender shall have received an opinion addressed to the Lender and dated the Closing Date of the counsel for each Project Participant, in form and substance satisfactory to the Lender, and addressing, without limitation, the enforceability of such Project Participant's obligations under the Related Documents to which it is a party.

(e) *Related Documents.* **[(i)]** The Lender shall have received a certified copy of the Related Documents which have been executed prior to the Closing Date, all certified by an authorized officer of the Authority or the Issuer, as applicable, as being in full force and effect**;** **and (ii) the Lender shall have received evidence that the payment schedule set forth in Exhibit A to each Payment Agreement has been modified to include the Notes and a related payment schedule acceptable to the Lender in form and substance satisfactory to the Lender and its counsel].**

(f) *Financial Information.* The Lender shall have received copies of any financial information of the Authority, the Issuer, LVMWD and TWSD that the Lender may reasonably request.

(g) *Legality; Material Adverse Change.* The Lender shall have determined (in its sole discretion) that (i) neither the making of any Loans nor the consummation of any of the transactions contemplated by the Note, this Agreement or any other Related Document will violate any law, rule, guideline or regulation applicable to the Authority, the Issuer, the Lender, LVMWD, TWSD, the Commitment, the Note or this Agreement, and (ii) no Material Adverse Change shall have occurred since June 30, 2025.

(h) *Fees, Etc.* The Lender shall have received payment of the fees, costs and expenses payable on the Closing Date.

(i) *Note.* The Lender shall have received (i) the executed Note in physical, definitive certificated form and (ii) written evidence satisfactory to the Lender that a CUSIP number has been obtained and reserved from Standard & Poor's CUSIP Service for the Note.

(j) *Closing Certificate of Authority.* The Lender shall have received a certificate from the Authority executed by the Authorized Authority Representative, dated the Closing Date, stating that:

(i) the representations and warranties of the Authority contained in this Agreement and each certificate furnished or delivered by the Authority to the Lender pursuant hereto are true and correct on and as of the Closing Date as though made on and as of such date;

(ii) no "default" or "event of default" under any Related Document to which the Authority is a party and no Default or Event of Default has occurred and is continuing or would result from the entering into or performance under this Agreement, and the other Related Documents; and

(iii) except as has been disclosed to the Lender in writing prior to the Closing Date, there has been no Material Adverse Change since June 30, 2025.

(k) *Closing Certificate of Issuer.* The Lender shall have received a certificate from the Issuer executed by the Authorized Issuer Representative, dated the Closing Date, stating that:

(i) the representations and warranties of the Issuer contained in this Agreement and each certificate furnished or delivered by the Issuer to the Lender pursuant hereto are true and correct on and as of the Closing Date as though made on and as of such date;

(ii) no “default” or “event of default” under any Related Document to which the Issuer is a party and no Default or Event of Default has occurred and is continuing or would result from the entering into or performance under this Agreement and the other Related Documents; and

(iii) except as has been disclosed to the Lender in writing prior to the Closing Date, there has been no Material Adverse Change since June 30, 2025.

(l) *Other Documents.* The Lender shall have received such other documents, certificates, and opinions as the Lender or the Lender’s counsel shall have reasonably requested.

Section 3.2. Borrowings During the Credit Period. The obligation of the Lender to make a Loan on the occasion of any Borrowing on or prior to the Termination Date is subject to the satisfaction of the following conditions:

(a) receipt by the Lender of a Notice of Borrowing (or appropriate notice regarding continuation) as required by Section 2.2 hereof;

(b) immediately after such Borrowing or continuation, the aggregate outstanding principal amount of the Loans will not exceed the amount of the Commitment;

(c) immediately before and as a result of giving effect to such Borrowing or continuation, (i) no Default or Event of Default shall have occurred and be continuing and (ii) no Material Adverse Change shall have occurred;

(d) immediately before and as a result of giving effect to such Borrowing or continuation, all representations and warranties of the Authority and the Issuer as set forth in Article Four hereof shall be true and correct as though made on the date of such Request for Borrowing and on the date of the proposed Borrowing;

(e) immediately before such Borrowing or continuation, the Lender shall not have terminated its obligation to make Loans as a result of an Event of Default pursuant to Section 6.2(b) hereof;

(f) the Lender shall have received an executed opinion of Note Counsel addressed to the Authority and the Issuer and with a reliance letter to the Lender, in a form

acceptable to the Lender, to the effect that the interest on such Loan is excluded from gross income for federal income tax purposes; and

(g) the Authority shall have executed, and the Lender shall have received an executed copy of a tax certificate or supplement to an existing tax certificate, including a completed Form 8038-G, relating to such Borrowing, in each case in a form acceptable to Note Counsel.

Each Borrowing or continuation hereunder shall be deemed to be a representation and warranty by the Authority and Issuer on the date of such Borrowing as to the facts specified in clauses (b), (c) and (d) of this Section 3.2 and that no Default or Event of Default has occurred and is continuing.

Section 3.3. No Rating on Note; No DTC; No Offering Document; No Placement. The Note shall not be (a) assigned a specific rating by any Rating Agency, (b) registered with The Depository Trust Company or any other securities depository, (c) issued pursuant to any type of official statement, private placement memorandum or other offering document or (d) placed or offered by a broker-dealer in the capacity of an underwriter or a placement agent.

ARTICLE FOUR

REPRESENTATIONS AND WARRANTIES

Section 4.1. Representations of the Authority. In order to induce the Lender to establish the Commitment and execute and deliver this Agreement, the Authority represents and warrants to the Lender as follows:

(a) *Existence and Power.* The Authority is a joint exercise of powers agency that is duly organized and existing under and pursuant to the laws of the State of California and the Authority Joint Powers Agreement, and is possessed of full powers to own and lease (as lessor and lessee) real and personal property, to own and operate the Joint System, to conduct its other business as presently conducted and to enter into contracts such as this Agreement and the other Related Documents, which powers have been validly exercised in connection with the transactions effected by this Agreement and the other Related Documents. The Authority has full legal right, power and authority to enter into this Agreement and the other Related Documents and to carry out and consummate all transactions that are contemplated by this Agreement and the other Related Documents and by proper action has duly authorized the execution and delivery and due performance of this Agreement and the other Related Documents.

(b) *Authorization; Contravention; Approvals.* The execution, delivery and performance by the Authority of this Agreement, the Fee Agreement and the other Related Documents and the other documents contemplated hereby and thereby are within the powers of the Authority, have been duly authorized by all necessary actions and (i) do not contravene the Act or any other law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease, instrument or other

contractual restriction binding on or affecting the Authority and (ii) except as provided in or contemplated by this Agreement and the Related Documents, do not result in or require the creation of any Lien, security interest or other charge or encumbrance upon or with respect to any asset of the Authority. The Authority is not in violation of or in default in any material respect under any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award that would prevent or is reasonably likely to prevent the Authority from performing its obligations under this Agreement, the Fee Agreement or the other Related Documents. The Authority is not in violation of or in default in any material respect under any indenture, agreement, lease, instrument or other contractual restriction and is not in violation of or in default in any respect under any of the Related Documents that would prevent or is reasonably likely to prevent the Authority from performing its obligations under this Agreement, the Fee Agreement or the other Related Documents. No Default or Event of Default has occurred and is continuing. All orders, consents and other authorizations or approvals of all Governmental Authorities and all other Persons have been obtained (and no additional authorization, approval or other action by, and no notice to or filing or registration with, any Governmental Authority is required to be made or obtained by the Authority) for the due execution, delivery and performance by the Authority of this Agreement and the other Related Documents.

(c) *Enforceability.* This Agreement and the other Related Documents, and other documents contemplated hereby and thereby to which the Authority is a party or by which it is bound, are legally valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (ii) general principles of equity; and (iii) the exercise of judicial discretion in appropriate cases.

(d) *Litigation.* Except as disclosed in writing to the Lender prior to the Closing Date, there are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before any court, Governmental Authority or arbitrator pending or, to the best knowledge of the Authority, threatened, against or directly involving the Authority, affecting the existence of the Authority, the title of any officials to their respective offices or affecting or seeking to prohibit, restrain or enjoin the execution or delivery of this Agreement or any Related Document, or in any way contesting or affecting the validity or enforceability of the Note, this Agreement, any other Related Document or contesting the tax-exempt status of the Note, or contesting the powers of the Authority or any authority for the issuance of the Note, the execution and delivery of this Agreement or the other Related Documents, nor, to the best knowledge of the Authority, is there any basis therefor, which, if determined adversely to the Authority (i) would adversely affect the validity or enforceability of, or the authority or ability of the Authority to perform its obligations under, this Agreement, the Fee Agreement or any other the Related Documents, (ii) would, in the reasonable opinion of the Authority, have a material adverse effect on the business, financial position or results of operations of the Authority, (iii) would adversely affect the exclusion of interest on the Note from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes, or (iv) could otherwise reasonably be expected to result in a Material Adverse Effect.

(e) *Financial Information.* (i) The audited financial statements of the Authority included in the 2025 Financial Statements, true and correct copies of which have heretofore been delivered or made available to the Lender, fairly present, in conformity with generally accepted accounting principles the financial position of the Authority and its results of operations and changes in financial position at the dates and for the periods indicated.

(ii) Except as has been disclosed in writing to the Lender prior to the Closing Date, since June 30, 2025, there has been no material adverse change in the business, financial position or results of operations of the Authority, LVMWD or TWSD which could reasonably be expected to result in a Material Adverse Effect.

(iii) Except as reflected in the financial statements included in the 2025 Financial Statements or as has been disclosed in writing to the Lender prior to the Closing Date and except for the Authority's obligations set forth in this Agreement and the other Related Documents, there are as of the date hereof no liabilities or obligations with respect to the Authority of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which, in the aggregate, would be material to the Authority. The Authority does not know of any basis for the assertion against the Authority of any liability or obligation of any nature whatsoever that is not reflected in the financial statements included in the 2025 Financial Statements or other written disclosure to the Lender delivered prior to the Closing Date which, in the aggregate, could be material to the Authority.

(f) *Disclosure.* No written information furnished by the Authority to the Lender in connection with this Agreement (except information which has been superseded by subsequent information provided by the Authority) includes any untrue statement of a material fact.

(g) *Environmental Matters.* Except as disclosed in writing to the Lender prior to the Closing Date, the Authority has not received notice to the effect that the operations of the Joint System are not in compliance with any of the requirements of applicable Federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, in each case which non-compliance or remedial action could have a Material Adverse Effect.

(h) *Plans.* The Authority is not subject to ERISA or maintains no Plan.

(i) *Regulations U and X.* The Authority is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of any Loans or Term Loans will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

(j) *Tax-Exempt Status.* The Authority has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Note from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes.

(k) *Security.* (i) The Payment Agreements create a pledge of all Purchaser Revenues as security for the installment payments payable under the Installment Payments. The Installment Purchase Agreement creates a pledge of all Revenues as security for the punctual payment of the interest and principal due with respect to the Note and the Obligations owed to the Lender hereunder. All actions necessary to create a pledge of all Purchaser Revenues and the Revenues have been duly and validly taken. The Authority's obligation to pay the Obligations is *pari passu* with its obligation to pay any Installment Purchase Agreement Parity Debt.

(ii) This Agreement constitutes a "Contract" as defined in and for purposes of the Installment Purchase Agreement. Payments of interest and principal on the Obligations as required and scheduled by the terms hereof constitute "Installment Payments" as defined in and for purposes of the Installment Purchase Agreement.

(l) *Constitutional Matters.* There is no amendment, or, to the best knowledge of the Authority, proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any legislation which has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to have Material Adverse Effect. There is no public vote or referendum pending, proposed or concluded, the results of which could reasonably be expected result in a Material Adverse Effect.

(m) *No Sovereign Immunity.* The Authority is not entitled to claim immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) with respect to itself or its revenues (irrespective of their use or intended use) from (i) any action, suit or other proceeding arising under or relating to this Agreement or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or for recovery of property or (iii) execution or enforcement of any judgment to which it or Revenues might otherwise be made subject in any action, suit or proceeding relating to this Agreement or any other Related Document, and no such immunity (whether or not claimed) may be attributed to the Authority or Revenues.

(n) *Incorporation of Representations and Warranties by Reference.* The Authority hereby makes to the Lender every representation and warranty made by it in the Related Documents, which representations and warranties, as well as the defined terms contained therein that are necessary for a correct interpretation thereof, are incorporated

herein by this reference with the same effect as if each and every such provision and defined term were set forth herein in its entirety. No amendment, modification, termination or replacement of any such representations, warranties, covenants and definitions contained in the Related Documents shall be effective to amend, modify, terminate or replace the representations, warranties, covenants and definitions incorporated herein by this reference, without the prior written consent of the Lender. The representations and warranties of the Authority in all of the Related Documents are true and correct in all material respects.

(o) *No Violation of Usury Laws.* The terms hereof regarding the calculation and payment of interest on the Note do not violate any applicable usury laws of the State of California and, the terms of this Agreement, the Fee Agreement, and the Note regarding the calculation and payment of interest and fees and other amounts due under this Agreement, the Fee Agreement, and the Note do not violate any applicable usury laws of the State of California.

(p) *Compliance.* The Authority is in substantial compliance with all laws, ordinances, orders, rules and regulations applicable to it, except to the extent noncompliance could not reasonably be expected to result in a Material Adverse Effect.

(q) *Default.* The Authority is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any the Related Document or any other resolution, agreement or instrument to which it is a party which could have a Material Adverse Effect.

(r) *Casualty.* Neither the business nor the Property of the Authority is currently affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance), which could have a Material Adverse Effect.

(s) *Insurance.* The Authority currently maintains insurance coverage with insurance companies believed by the Authority to be capable of performing their obligations under the respective insurance policies issued by such insurance companies to the Authority (as determined in its reasonable discretion) and in full compliance with the terms hereof.

(t) *Taxes.* The Authority has filed any Federal, state and other material tax returns and reports required to be filed, and has paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with generally accepted accounting principles. There is no proposed tax assessment against the Authority that would, if made, have a Material Adverse Effect.

(u) *Sanctions Concerns; Anti-Corruption Laws.* The Authority and its Affiliates have conducted their business in compliance with all Anti-Corruption Laws and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

(i) None of (A) the Authority, or, to the knowledge of the Authority, any of their respective directors, officers, employees or Affiliates, or (B) to the knowledge of the Authority, any agent or representative of the Authority that will act in any capacity in connection with or benefit from the Loans or Term Loans, (1) is a Sanctioned Person or currently the subject or target of any Sanctions, (2) has its assets located in a Sanctioned Country, (3) is under administrative, civil or criminal investigation for an alleged violation of, or received notice from or made a voluntary disclosure to any governmental entity regarding a possible violation of, Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions by a governmental authority that enforces Sanctions or any Anti-Corruption Laws or Anti-Money Laundering Laws, or (4) directly or indirectly derives revenues from investments in, or transactions with, Sanctioned Persons

(ii) The Authority has implemented and maintains in effect policies and procedures designed to ensure compliance by the Authority and its respective directors, officers, employees, agents and Affiliates with all Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions.

(iii) The Authority, and to the knowledge of the Authority, director, officer, employee, agent and Affiliate of the Authority, is in compliance with all Anti-Corruption Laws, Anti-Money Laundering Laws in all respects and applicable Sanctions.

(iv) No proceeds of any Loan or Term Loan have been used, directly or indirectly, by the Authority or any of its or their respective directors, officers, employees and agents in violation of Section 7.17 hereof.

Section 4.2. Representations of the Issuer. In order to induce the Lender to establish the Commitment and execute and deliver this Agreement, the Issuer represents and warrants to the Lender as follows:

(a) *Existence and Power.* The Issuer is a joint exercise of powers agency that is duly organized and existing under and pursuant to the laws of the State of California and the Issuer Joint Powers Agreement, and is possessed of full powers to own and lease (as lessor and lessee) real and personal property, to conduct its other business as presently conducted and to enter into contracts such as this Agreement and the other Related Documents, which powers have been validly exercised in connection with the transactions effected by this Agreement and the other Related Documents. The Issuer has full legal right, power and authority to enter into this Agreement and the other Related Documents and to carry out and consummate all transactions that are contemplated by this Agreement

and the other Related Documents and by proper action has duly authorized the execution and delivery and due performance of this Agreement and the other Related Documents.

(b) *Authorization; Contravention; Approvals.* The execution, delivery and performance by the Issuer of this Agreement, the Fee Agreement and the other Related Documents and the other documents contemplated hereby and thereby are within the powers of the Issuer, have been duly authorized by all necessary actions and (i) do not contravene the Act or any other law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease, instrument or other contractual restriction binding on or affecting the Issuer and (ii) except as provided in or contemplated by this Agreement and the Related Documents, do not result in or require the creation of any Lien, security interest or other charge or encumbrance upon or with respect to any asset of the Issuer. The Issuer is not in violation of or in default in any material respect under any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award that would prevent or is reasonably likely to prevent the Issuer from performing its obligations under this Agreement, the Fee Agreement or the other Related Documents. The Issuer is not in violation of or in default in any material respect under any indenture, agreement, lease, instrument or other contractual restriction and is not in violation of or in default in any respect under any of the Related Documents that would prevent or is reasonably likely to prevent the Issuer from performing its obligations under this Agreement, the Fee Agreement or the other Related Documents. No Default or Event of Default has occurred and is continuing. All orders, consents and other authorizations or approvals of all Governmental Authorities and all other Persons have been obtained (and no additional authorization, approval or other action by, and no notice to or filing or registration with, any Governmental Authority is required to be made or obtained by the Issuer) for the due execution, delivery and performance by the Issuer of this Agreement and the other Related Documents.

(c) *Enforceability.* This Agreement and the other Related Documents, and other documents contemplated hereby and thereby to which the Issuer is a party or by which it is bound, are legally valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (ii) general principles of equity; (iii) the exercise of judicial discretion in appropriate cases; and (iv) to the limitations on legal remedies against municipal utility districts in the State of California.

(d) *Litigation.* Except as disclosed in writing to the Lender prior to the Closing Date, there are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before any court, Governmental Authority or arbitrator pending or, to the best knowledge of the Issuer, threatened, against or directly involving the Issuer, affecting the existence of the Issuer, the title of any officials to their respective offices or affecting or seeking to prohibit, restrain or enjoin the execution or delivery of this Agreement or any Related Document, or in any way contesting or affecting the validity or enforceability of the Note, this Agreement, any other Related Document or contesting the tax-exempt status of the Note, or contesting the powers of the Issuer or any authority for the issuance of the Note,

the execution and delivery of this Agreement or the other Related Documents, nor, to the best, knowledge of the Issuer, is there any basis therefor, which, if determined adversely to the Issuer (i) would adversely affect the validity or enforceability of, or the authority or ability of the Issuer to perform its obligations under, this Agreement, the Fee Agreement or any other the Related Documents, (ii) would, in the reasonable opinion of the Issuer, have a material adverse effect on the business, financial position or results of operations of the Issuer, (iii) would adversely affect the exclusion of interest on the Note from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes, or (iv) could otherwise reasonably be expected to result in a Material Adverse Effect.

(e) *Financial Information.* (i) Except as has been disclosed in writing to the Lender prior to the Closing Date, since June 30, 2025, there has been no material adverse change in the business, financial position or results of operations of the Issuer, LVMWD or TWSD which could reasonably be expected to result in a Material Adverse Effect.

(ii) Except as reflected in the financial statements included in the 2025 Financial Statements or as has been disclosed in writing to the Lender prior to the Closing Date and except for the Issuer's obligations set forth in this Agreement and the other Related Documents, there are as of the date hereof no liabilities or obligations with respect to the Issuer of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which, in the aggregate, would be material to the Issuer. The Issuer does not know of any basis for the assertion against the Issuer of any liability or obligation of any nature whatsoever that was not disclosed to the Lender in writing prior to the Closing Date which, in the aggregate, could be material to the Issuer.

(f) *Disclosure.* No written information furnished by the Issuer to the Lender in connection with this Agreement (except information which has been superseded by subsequent information provided by the Issuer) includes any untrue statement of a material fact.

(g) *Environmental Matters.* Except as disclosed in writing to the Lender prior to the Closing Date, the Issuer has not received notice to the effect that the operations of the Joint System are not in compliance with any of the requirements of applicable Federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, in each case which non-compliance or remedial action could have a Material Adverse Effect.

(h) *Plans.* The Authority is not subject to ERISA or maintains no Plan.

(i) *Regulations U and X.* The Issuer is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of any Loans or Term Loans will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

(j) *Tax-Exempt Status.* The Issuer has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Note from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes.

(k) *Security.* The Payment Agreements create a pledge of all Purchaser Revenues as security for the installment payments payable under the Installment Payments. The Installment Purchase Agreement creates a pledge of all Revenues as security for the punctual payment of the interest and principal due with respect to the Note and the Obligations owed to the Lender hereunder. All actions necessary to create a pledge of all Purchaser Revenues and the Revenues have been duly and validly taken. The Issuer's obligation to pay the Obligations is *pari passu* with its obligation to pay any Installment Purchase Agreement Parity Debt.

(l) *Constitutional Matters.* There is no amendment, or, to the best knowledge of the Issuer, proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any legislation which has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to have Material Adverse Effect. There is no public vote or referendum pending, proposed or concluded, the results of which could reasonably be expected result in a Material Adverse Effect.

(m) *No Sovereign Immunity.* The Issuer is not entitled to claim immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) with respect to itself or its revenues (irrespective of their use or intended use) from (i) any action, suit or other proceeding arising under or relating to this Agreement or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or for recovery of property or (iii) execution or enforcement of any judgment to which it or Revenues might otherwise be made subject in any action, suit or proceeding relating to this Agreement or any other Related Document, and no such immunity (whether or not claimed) may be attributed to the Issuer or Revenues.

(n) *Incorporation of Representations and Warranties by Reference.* The Issuer hereby makes to the Lender every representation and warranty made by it in the Related Documents, which representations and warranties, as well as the defined terms contained therein that are necessary for a correct interpretation thereof, are incorporated herein by this reference with the same effect as if each and every such provision and defined term were set forth herein in its entirety. No amendment, modification, termination or replacement of any such representations, warranties, covenants and definitions contained in the Related Documents shall be effective to amend, modify, terminate or replace the representations, warranties, covenants and definitions incorporated herein by this reference, without the prior written consent of the Lender. The representations and

warranties of the Issuer in all of the Related Documents are true and correct in all material respects.

(o) *No Violation of Usury Laws.* The terms hereof regarding the calculation and payment of interest on the Note do not violate any applicable usury laws of the State of California and, the terms of this Agreement, the Fee Agreement, and the Note regarding the calculation and payment of interest and fees and other amounts due under this Agreement, the Fee Agreement, and the Note do not violate any applicable usury laws of the State of California.

(p) *Compliance.* The Issuer is in substantial compliance with all laws, ordinances, orders, rules and regulations applicable to it, except to the extent noncompliance could not reasonably be expected to result in a Material Adverse Effect.

(q) *Default.* The Issuer is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any the Related Document or any other resolution, agreement or instrument to which it is a party which could have a Material Adverse Effect.

(r) *Reserved.*

(s) *Reserved.*

(t) *Taxes.* The Issuer has filed any Federal, state and other material tax returns and reports required to be filed, and has paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with generally accepted accounting principles. There is no proposed tax assessment against the Issuer that would, if made, have a Material Adverse Effect.

(u) *Sanctions Concerns; Anti-Corruption Laws.* The Issuer and its Affiliates have conducted their business in compliance with all Anti-Corruption Laws and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

(i) None of (A) the Issuer, or, to the knowledge of the Issuer, any of their respective directors, officers, employees or Affiliates, or (B) to the knowledge of the Issuer, any agent or representative of the Issuer that will act in any capacity in connection with or benefit from the Loans or Term Loans, (1) is a Sanctioned Person or currently the subject or target of any Sanctions, (2) has its assets located in a Sanctioned Country, (3) is under administrative, civil or criminal investigation for an alleged violation of, or received notice from or made a voluntary disclosure to any governmental entity regarding a possible violation of, Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions by a governmental authority that

enforces Sanctions or any Anti-Corruption Laws or Anti-Money Laundering Laws, or (4) directly or indirectly derives revenues from investments in, or transactions with, Sanctioned Persons

(ii) The Issuer has implemented and maintains in effect policies and procedures designed to ensure compliance by the Issuer and its respective directors, officers, employees, agents and Affiliates with all Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions.

(iii) The Issuer, and to the knowledge of the Issuer, director, officer, employee, agent and Affiliate of the Issuer, is in compliance with all Anti-Corruption Laws, Anti-Money Laundering Laws in all respects and applicable Sanctions.

(iv) No proceeds of any Loan or Term Loan have been used, directly or indirectly, by the Issuer or any of its or their respective directors, officers, employees and agents in violation of Section 7.17 hereof.

ARTICLE FIVE

COVENANTS

Section 5.1. Covenants of the Authority. The Authority will do the following so long as any amounts may be drawn hereunder or any Obligations remain outstanding under this Agreement, unless the Lender shall otherwise consent in writing:

(a) *Reports and Other Information.* The Authority will furnish, or cause to be furnished, at the Authority's expense to the Lender:

(i) As soon as possible and in any event within five (5) Business Days after the knowledge (actual or constructive) or notice of occurrence of any Event of Default, a statement of the Authorized Authority Representative setting forth details of such Event of Default and the action that the Authority proposes to take with respect thereto;

(ii) As soon as available and in any event within two hundred seventy (270) days after the end of each Fiscal Year of the Authority, LVMWD and TWSD, a copy of the audited financial statements of the Authority, LVMWD and TWSD for such year, including a balance sheet of the Authority, LVMWD and TWSD as at the end of such Fiscal Year and the related statements of revenues, expenses and changes in fund balances and statement of cash flows, also including, without limitation, calculation of the rate covenants referenced in Sections 5.1(t), 6.1(s) and 6.1(v) hereof, all in reasonable detail and reported on by a firm of nationally recognized independent certified public accountants, and the report of such firm of independent certified public accountants shall state, without qualification, that such financial statements present fairly the financial position of the Authority, LVMWD

and TWSD as of the end of such Fiscal Year, the results of operations, the changes in fund balances and cash flows of the Authority, LVMWD and TWSD for such Fiscal Year then ended in conformity with generally accepted accounting principles;

(iii) Simultaneously with the delivery of each set of financial statements referred to in clause (ii) above, a certificate of an Authorized Authority Representative stating whether there exists on the date of such certificate any Event of Default or Default and, if any Event of Default or Default then exists, setting forth the details thereof and the action that the Authority is taking or proposes to take with respect thereto;

(iv) As soon as practicable and in any event within ten (10) Business Days after the Authority obtains actual knowledge of: (A) any litigation, arbitration or governmental proceeding pending against the Authority that challenges the Authority's ability to perform its obligations under this Agreement and/or the other Related Documents; or (B) any other event or condition that would prevent or is reasonably likely to prevent the Authority from performing its obligations under this Agreement and/or the other Related Documents, in each case a statement of the Authorized Authority Representative setting forth details describing the same and the steps being taken with respect thereto;

(v) As soon as practicable, notice of any disclosure documents publicly distributed in connection with any issue of Payment Agreement Parity Debt;

(vi) As soon as practicable, notice of any change in, or the withdrawal of, any Rating by any Rating Agency;

(vii) As soon as practicable and in any event within sixty (60) days after the end of each Fiscal Year of the Authority, LVMWD and TWSD, the annual budget of the Authority, LVMWD and TWSD; and

(viii) From time to time, such additional information regarding the financial position, results of operations, business or prospects of the Authority as the Lender may reasonably request.

(b) *Books and Records; Inspections.* The Authority will keep proper books of record and account with respect to the Joint System in which full and correct entries shall be made of assets and liabilities, financial transactions and business of the Authority in conformity with generally accepted accounting principles. The Authority will upon reasonable notice permit any Person designated by the Lender in writing to visit any of the properties of the Authority, and to examine the books and financial records of the Authority relating to the Joint System and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the Authority relating to the Authority with the principal officers of the Authority all at such reasonable times during normal business hours and as often as the Lender may reasonably request.

(c) *Maintain Existence.* The Authority shall will (i) preserve, renew, and maintain in full force and effect its legal existence as a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California, (ii) take all reasonable action to maintain all other rights, privileges, permits, licenses, and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect, and (iii) preserve or renew all of its registered patents, trademarks, trade names, and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect. The Authority shall not engage in any material line of business substantially different from those lines of business conducted by the Authority on the Closing Date or any business substantially related or incidental thereto.

(d) *Compliance with Laws.* The Authority will comply with the requirements of all laws, rules, regulations and orders of any Governmental Authority having jurisdiction over the Authority and/or the Joint System (including, without limitation, environmental laws, all Anti-Corruption Laws, Anti-Money Laundering Laws in all respects and applicable Sanctions), noncompliance with which would materially adversely affect the ability of the Authority to perform its obligations under this Agreement and the other Related Documents.

(e) *Compliance with Agreements.* The Authority will observe and perform all of its obligations under this Agreement and the other Related Documents.

(f) *Incorporation of Covenants by Reference.* The Authority agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in each of the Related Documents to which it is a party, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Lender and shall be enforceable against the Authority. To the extent that any such incorporated provision permits the Authority or any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the Authority or any other party, for purposes of this Agreement, such provision shall be complied with unless it is specifically waived by the Lender in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Lender which shall only be evidenced by the written approval by the Lender of the same. No termination or amendment to such covenants and agreements or defined terms or release of the Authority with respect thereto made pursuant to the Related Documents, shall be effective to terminate or amend such covenants and agreements and defined terms or release the Authority with respect thereto in each case as incorporated by reference herein without the prior written consent of the Lender. Notwithstanding any termination or expiration of any of the Related Documents, the Authority shall continue to observe such incorporated covenants therein contained for the benefit of the Lender until the termination of this Agreement and the payment in full of all Obligations. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be

limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein. In the event of a conflict between the covenants and agreements set forth in this Section 5.1 (other than the incorporated provisions) and the incorporated provisions, the covenants and agreements set forth in the other provisions of Section 5.1 shall prevail.

(g) *Related Documents.* The Authority will not amend, supplement or otherwise modify, or agree to the amendment, modification or termination of, any of the Related Documents.

(h) *Payment of Obligations.* The Authority shall pay and discharge, unless refinanced or extended, as the same become due and payable, all its obligations and liabilities, including (i) all tax liabilities, assessments, and governmental charges or levies upon it or its properties or assets, if any, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Authority (ii) all lawful claims that, if unpaid, would by law become a Lien upon its property, and (iii) all Debt, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Debt.

(i) *Alternate Provider.* The Authority agrees that any termination of the Commitment and this Agreement as a result of the provision of any alternate credit facility will require, as a condition thereto, that the Authority or the issuer of the alternate credit facility will provide funds on the date of such termination or provision, which funds will be sufficient to pay in full at the time of termination of the Commitment all Obligations due to the Lender hereunder.

(j) *Most Favored Nations.* In the event that the Authority has or shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement which such Bank Agreement provides such Person with a shorter amortization period than what is set forth in Section 2.22(b) hereof, different or more restrictive covenants, different or additional events of default and/or greater rights and remedies than are provided to the Lender in this Agreement, the Authority shall provide the Lender with a copy of each such Bank Agreement and such shorter amortization period, different or more restrictive covenants, different or additional events of default and/or greater rights and remedies shall automatically be deemed to be incorporated into this Agreement and the Lender shall have the benefits of such shorter amortization period, different or more restrictive covenants, different or additional events of default and/or greater rights and remedies as if specifically set forth herein. Notwithstanding anything in this Section 5.1(j) to the contrary, clause (c) of the defined term “Event of Default” as set forth in the State Loan Agreement shall not be incorporated into this Agreement pursuant to this Section 5.1(j).

(k) *Additional Debt.* The Authority shall not, not shall it permit any Person to, issue any Debt secured by the Revenues which is senior to the lien securing the Note and other Obligations. The Authority shall not, not shall it permit any Person to, issue any Debt secured by Purchaser Revenues which is senior to the lien securing the Project Bonds

pursuant to any Payment Agreement. The Authority shall not, nor shall it permit any other Person to, issue or incur any additional Debt unless (i) such Debt is issued in accordance with the terms of the Payment Agreements and (ii) after the issuance or incurrence of such Debt (a) no Default or Event of Default shall have occurred as a result of the issuance or incurrence of such Debt and (b) the issuance or incurrence of such Debt could reasonably be expected to result in a Material Adverse Effect. The Authority shall not issue any Debt which is not secured by or payable from Revenues.

(l) *Offering Documents.* Except as may be required by law (including, but not limited to, federal and state securities laws), the Authority shall not make reference to the Lender in any offering document without the Lender's prior written consent thereto (other than references to the name of the Lender solely in the Lender's capacity as the credit provider with respect to the Note). Except as may be required by law (including, but not limited to, federal and state securities laws), the Authority shall not use the Lender's name (other than references to the name of the Lender solely in the Lender's capacity as the credit provider with respect to the Note) in any published materials (other than the Authority's staff reports, annual statements, audited financial statements, rating agency presentations) without the prior written consent of the Lender.

(m) *Use of Proceeds.* The proceeds of the Loans and Term Loans will be expended in the manner set forth in the Installment Purchase Agreement and in not in violation of any applicable law.

(n) *Ranking of Obligations.* The Authority shall not take any action that would result in the Obligations not ranking at least *pari passu* in right of payment from Revenues with the Note and all Installment Purchase Agreement Parity Debt.

(o) *Investments.* The Authority shall not, directly or indirectly, invest in instruments and securities other than those permitted by, and in accordance with **[California Government Code Sections 53600 to 53609]** or the Related Documents. The Authority will not permit the Authority to encumber its cash position nor schedule the interest payment dates and maturities of its investments in a manner which impedes, hinders or interferes with the availability of funds to meet the Authority's expected cash needs.

(p) *Debt Service.* Notwithstanding anything in the Payment Agreements to the contrary, if any Term Loan is outstanding hereunder or if the principal amount of the Loans or Term Loans are due and payable in accordance pursuant to Sections 2.3, 2.8, 2.22 or 6.2 hereof, for purposes of Section 6 of each Payment Agreement, (A) the Authority shall not determine, or allow any other Person to determine, that the principal amount of the Note or any other Obligations to be "Excluded Principal" for purposes of any Payment Agreement and (B) (1) with respect to the first proviso in the term "Debt Service" in each Payment Agreement, the Authority shall instead use the applicable interest rates hereunder when determining "Debt Service" for the Note and other Obligations and (2) with respect to the second proviso in the term "Debt Service" in each Payment Agreement, the Authority

shall instead use the amount of principal payable hereunder when determining “Debt Service” for the Note and other Obligations.

(q) *Reserved.*

(r) *Payment of Taxes, Etc.* The Authority will pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Authority on account of the Joint System or any portion thereof and which, if unpaid, might impair the security of the Note, when the same shall become due, but nothing herein contained shall require the Authority to pay any such tax, assessment or charge so long as it shall in good faith contest the validity thereof. The Authority will duly observe and conform to all valid material requirements of any Governmental Authority relative to the Joint System or any part thereof.

(s) *Operation and Maintenance of Joint System.* The Authority will operate, maintain and preserve the Joint System in good repair and working order in conformity with standards customarily followed for systems of like size and character. The Authority will from time to time make necessary and proper repairs, renewals, replacements and substitutions to the properties of the Joint System, so that business carried on in connection with the Joint System shall and can be conducted in an efficient and economical manner, and will operate the Joint System in an efficient and economical manner. The Authority shall not use the Joint System to conduct any business other than that which is lawfully permitted.

(t) *Amounts of Rates and Charges.* To the extent permitted by law, the Authority hereby covenants to establish, maintain and collect rates and charges with respect to the Joint System sufficient to pay all Parity Debt, the Note and all Obligations due and owing hereunder.

(u) *Maintenance of Insurance.* The Authority shall keep the Joint System insured with insurance companies believed by the Authority to be capable of performing their obligations under the respective insurance policies issued by such insurance companies to the Authority (as determined in its reasonable discretion) in conformity with standards customarily followed for systems of like size and character.

(v) *Sale or Other Disposition of Property.* The Authority shall not sell or otherwise dispose of any property essential to the proper operation of the Joint System. The Authority will not enter into any lease or agreement which impairs or impedes the operation of the Joint System or which otherwise impairs or impedes the rights of the or the Lender. Subject to the preceding sentence, nothing contained herein shall prevent the Authority from entering into sale and leaseback agreements pursuant to which the Authority may acquire the use of property subject to the terms of such sale and leaseback agreements.

(w) *Liens.* The Authority shall not, directly or indirectly, incur, create or permit to exist any Lien on all or any portion of the Revenues that would affect the priority of Liens in existence on the Closing Date.

(x) *Further Assurances.* The Authority agrees to do such further acts and things and to execute and deliver to the Lender such additional assignments, agreements, powers and instruments as the Lender may reasonably require or reasonably deem advisable to carry into effect the purposes of this Agreement and the Fee Agreement or to better assure and confirm to the Lender its rights, powers and remedies hereunder and under the Related Documents or to confirm this Agreement, and the other Related Documents, to carry out the purpose and intent hereof and thereof. At any time, and from time to time, upon request by the Lender, the Authority will, at the Authority's expense, (i) correct any defect, error or omission which may be discovered in the form or content of any of the Related Documents, and (ii) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates, and other documents as may, in the opinion of the Lender, be necessary or desirable in order to complete, perfect or continue and preserve the Lien of the Installment Purchase Agreement and hereof. Upon any failure by the Authority to do so, the Lender may make, execute and record any and all such instruments, certificates and other documents for and in the name of the Authority, all at the sole expense of the Authority, and the Authority hereby appoints the Lender the agent and attorney-in-fact of the Authority to do so, this appointment being coupled with an interest and being irrevocable.

(y) *Immunity.* To the fullest extent permitted by applicable law, with respect to its obligations arising under this Agreement or any other Related Document, the Authority irrevocably agrees that it will not assert or claim any immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) from (i) any action, suit or other proceeding arising under or relating to this Agreement or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or (iii) execution or enforcement of any judgment to which it or its revenues might otherwise be entitled in any such action, suit or other proceeding, and the Authority hereby irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself, the Revenues (irrespective of their use or intended use), all such immunity.

(z) *Swap Contracts.* Without the prior written consent of the Lender, the Authority shall not enter into any Swap Contracts relating to Debt wherein any termination payments thereunder are senior to or on parity with the payment of any Obligation.

Section 5.2. Covenants of the Issuer. The Issuer will do the following so long as any amounts may be drawn hereunder or any Obligations remain outstanding under this Agreement, unless the Lender shall otherwise consent in writing:

(a) *Reports and Other Information.* The Issuer will furnish, or cause to be furnished, at the Issuer's expense to the Lender:

(i) As soon as possible and in any event within five (5) Business Days after the knowledge (actual or constructive) or notice of occurrence of any Event of Default, a statement of the Authorized Issuer Representative setting forth details of such Event of Default and the action that the Issuer proposes to take with respect thereto;

(ii) As soon as available and in any event within two hundred seventy (270) days after the end of each Fiscal Year of the Issuer, a copy of the audited financial statements of the Issuer for such year, including a balance sheet of the Issuer as at the end of such Fiscal Year and the related statements of revenues, expenses and changes in fund balances and statement of cash flows, also including, without limitation, calculation of the rate covenant referenced in Sections 5.2(t) hereof, all in reasonable detail and reported on by a firm of nationally recognized independent certified public accountants, and the report of such firm of independent certified public accountants shall state, without qualification, that such financial statements present fairly the financial position of the Issuer as of the end of such Fiscal Year, the results of operations, the changes in fund balances and cash flows of the Issuer for such Fiscal Year then ended in conformity with generally accepted accounting principles;

(iii) Simultaneously with the delivery of each set of financial statements referred to in clause (ii) above, a certificate of an Authorized Issuer Representative stating whether there exists on the date of such certificate any Event of Default or Default and, if any Event of Default or Default then exists, setting forth the details thereof and the action that the Issuer is taking or proposes to take with respect thereto;

(iv) As soon as practicable and in any event within ten (10) Business Days after the Issuer obtains actual knowledge of: (A) any litigation, arbitration or governmental proceeding pending against the Issuer that challenges the Issuer's ability to perform its obligations under this Agreement and/or the other Related Documents; or (B) any other event or condition that would prevent or is reasonably likely to prevent the Issuer from performing its obligations under this Agreement and/or the other Related Documents, in each case a statement of the Authorized Issuer Representative setting forth details describing the same and the steps being taken with respect thereto;

(v) As soon as practicable, notice of any disclosure documents publicly distributed in connection with any issue of Parity Debt;

(vi) As soon as practicable, notice of any change in, or the withdrawal of, any Rating by any Rating Agency;

(vii) As soon as practicable and in any event within sixty (60) days after the end of each Fiscal Year of the Issuer, the annual budget of the Issuer; and

(viii) From time to time, such additional information regarding the financial position, results of operations, business or prospects of the Issuer as the Lender may reasonably request.

(b) *Books and Records; Inspections.* The Issuer will keep proper books of record and account in which full and correct entries shall be made of assets and liabilities, financial transactions and business of the Issuer in conformity with generally accepted accounting principles. The Issuer will upon reasonable notice permit any Person designated by the Lender in writing to visit any of the properties of the Issuer, and to examine the books and financial records of the Issuer and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the Issuer relating to the Issuer with the principal officers of the Issuer all at such reasonable times during normal business hours and as often as the Lender may reasonably request.

(c) *Maintain Existence.* The Issuer shall will (i) preserve, renew, and maintain in full force and effect its legal existence as a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California, (ii) take all reasonable action to maintain all other rights, privileges, permits, licenses, and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect, and (iii) preserve or renew all of its registered patents, trademarks, trade names, and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect. The Issuer shall not engage in any material line of business substantially different from those lines of business conducted by the Issuer on the Closing Date or any business substantially related or incidental thereto.

(d) *Compliance with Laws.* The Issuer will comply with the requirements of all laws, rules, regulations and orders of any Governmental Authority having jurisdiction over the Issuer (including, without limitation, environmental laws, all Anti-Corruption Laws, Anti-Money Laundering Laws in all respects and applicable Sanctions), noncompliance with which would materially adversely affect the ability of the Issuer to perform its obligations under this Agreement and the other Related Documents.

(e) *Compliance with Agreements.* The Issuer will observe and perform all of its obligations under this Agreement and the other Related Documents.

(f) *Incorporation of Covenants by Reference.* The Issuer agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in each of the Related Documents to which it is a party, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Lender and shall be enforceable against the Issuer. To the extent that any such incorporated provision permits the Issuer or any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the Issuer or any other party, for purposes of this Agreement, such provision

shall be complied with unless it is specifically waived by the Lender in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Lender which shall only be evidenced by the written approval by the Lender of the same. No termination or amendment to such covenants and agreements or defined terms or release of the Issuer with respect thereto made pursuant to the Related Documents, shall be effective to terminate or amend such covenants and agreements and defined terms or release the Issuer with respect thereto in each case as incorporated by reference herein without the prior written consent of the Lender. Notwithstanding any termination or expiration of any of the Related Documents, the Issuer shall continue to observe such incorporated covenants therein contained for the benefit of the Lender until the termination of this Agreement and the payment in full of all Obligations. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein. In the event of a conflict between the covenants and agreements set forth in this Section 5.2 (other than the incorporated provisions) and the incorporated provisions, the covenants and agreements set forth in the other provisions of Section 5.2 shall prevail.

(g) *Related Documents.* The Issuer will not amend, supplement or otherwise modify, or agree to the amendment, modification or termination of, any of the Related Documents.

(h) *Payment of Obligations.* The Issuer shall pay and discharge, unless refinanced or extended, as the same become due and payable, all its obligations and liabilities, including (i) all tax liabilities, assessments, and governmental charges or levies upon it or its properties or assets, if any, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Issuer (ii) all lawful claims that, if unpaid, would by law become a Lien upon its property, and (iii) all Debt, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Debt.

(i) *Alternate Provider.* The Issuer agrees that any termination of the Commitment and this Agreement as a result of the provision of any alternate credit facility will require, as a condition thereto, that the Issuer or the issuer of the alternate credit facility will provide funds on the date of such termination or provision, which funds will be sufficient to pay in full at the time of termination of the Commitment all Obligations due to the Lender hereunder.

(j) *Most Favored Nations.* In the event that the Issuer has or shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement which such Bank Agreement provides such Person with a shorter amortization period than what is set forth in Section 2.22(b) hereof, different or more restrictive covenants, different or additional events of default and/or greater rights and remedies than are provided to the Lender in this Agreement, the Issuer shall provide the Lender with a copy of each such Bank Agreement

and such shorter amortization period, different or more restrictive covenants, different or additional events of default and/or greater rights and remedies shall automatically be deemed to be incorporated into this Agreement and the Lender shall have the benefits of such shorter amortization period, different or more restrictive covenants, different or additional events of default and/or greater rights and remedies as if specifically set forth herein. Notwithstanding anything in this Section 5.2(j) to the contrary, clause (c) of the defined term “Event of Default” as set forth in the State Loan Agreement shall not be incorporated into this Agreement pursuant to this Section 5.2(j).

(k) *Additional Debt.* The Issuer shall not, not shall it permit any Person to, issue any Debt secured by the Revenues which is senior to the lien securing the Note and other Obligations. The Issuer shall not, not shall it permit any Person to, issue any Debt secured by Purchaser Revenues which is senior to the lien securing the Project Bonds pursuant to any Payment Agreement. The Issuer shall not, nor shall it permit any other Person to, issue or incur any additional Debt unless (i) such Debt is issued in accordance with the terms of the Payment Agreements and (ii) after the issuance or incurrence of such Debt (a) no Default or Event of Default shall have occurred as a result of the issuance or incurrence of such Debt and (b) the issuance or incurrence of such Debt could reasonably be expected to result in a Material Adverse Effect. The Issuer shall not issue any Debt which is not secured by or payable from Purchaser Revenues or the Net Revenues.

(l) *Offering Documents.* Except as may be required by law (including, but not limited to, federal and state securities laws), the Issuer shall not make reference to the Lender in any offering document without the Lender’s prior written consent thereto (other than references to the name of the Lender solely in the Lender’s capacity as the credit provider with respect to the Note). Except as may be required by law (including, but not limited to, federal and state securities laws), the Issuer shall not use the Lender’s name (other than references to the name of the Lender solely in the Lender’s capacity as the credit provider with respect to the Note) in any published materials (other than the Issuer’s staff reports, annual statements, audited financial statements, rating agency presentations) without the prior written consent of the Lender.

(m) *Use of Proceeds.* The proceeds of the Loans and Term Loans will be expended in the manner set forth in the Installment Purchase Agreement and in not in violation of any applicable law.

(n) *Ranking of Obligations.* The Issuer shall not take any action that would result in the Obligations not ranking at least *pari passu* in right of payment from Revenues with the Note and all Installment Purchase Agreement Parity Debt.

(o) *Investments.* The Issuer shall not, directly or indirectly, invest in instruments and securities other than those permitted by, and in accordance with **[California Government Code Sections 53600 to 53609]** or the Related Documents. The Issuer will not permit the Issuer to encumber its cash position nor schedule the interest payment dates and maturities of its investments in a manner which impedes, hinders or interferes with the availability of funds to meet the Issuer’s expected cash needs.

(p) *Debt Service.* Notwithstanding anything in the Payment Agreements to the contrary, if any Term Loan is outstanding hereunder or if the principal amount of the Loans or Term Loans are due and payable in accordance pursuant to Sections 2.3, 2.8, 2.22 or 6.2 hereof, for purposes of Section 6 of each Payment Agreement, (A) the Issuer shall not determine, or allow any other Person to determine, that the principal amount of the Note or any other Obligations to be “Excluded Principal” for purposes of any Payment Agreement and (B) (1) with respect to the first proviso in the term “Debt Service” in each Payment Agreement, the Issuer shall instead use the applicable interest rates hereunder when determining “Debt Service” for the Note and other Obligations and (2) with respect to the second proviso in the term “Debt Service” in each Payment Agreement, the Issuer shall instead use the amount of principal payable hereunder when determining “Debt Service” for the Note and other Obligations.

(q) *Reserved.*

(r) *Payment of Taxes, Etc.* The Issuer will pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Issuer on account of the Joint System or any portion thereof and which, if unpaid, might impair the security of the Note, when the same shall become due, but nothing herein contained shall require the Issuer to pay any such tax, assessment or charge so long as it shall in good faith contest the validity thereof. The Issuer will duly observe and conform to all valid material requirements of any Governmental Authority relative to the Joint System or any part thereof.

(s) *Reserved.*

(t) *Reserved.*

(u) *Reserved.*

(v) *Reserved.*

(w) *Liens.* The Issuer shall not, directly or indirectly, incur, create or permit to exist any Lien on all or any portion of the Revenues that would affect the priority of Liens in existence on the Closing Date.

(x) *Incorporation of Covenants by Reference.* The Issuer agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in each of the Related Documents to which it is a party, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Lender and shall be enforceable against the Issuer. To the extent that any such incorporated provision permits the Issuer or any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the Issuer or any other party, for purposes of this Agreement, such provision

shall be complied with unless it is specifically waived by the Lender in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Lender which shall only be evidenced by the written approval by the Lender of the same. No termination or amendment to such covenants and agreements or defined terms or release of the Issuer with respect thereto made pursuant to the Related Documents, shall be effective to terminate or amend such covenants and agreements and defined terms or release the Issuer with respect thereto in each case as incorporated by reference herein without the prior written consent of the Lender. Notwithstanding any termination or expiration of any of the Related Documents, the Issuer shall continue to observe such incorporated covenants therein contained for the benefit of the Lender until the termination of this Agreement and the payment in full of all Obligations. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

(y) *Further Assurances.* The Issuer agrees to do such further acts and things and to execute and deliver to the Lender such additional assignments, agreements, powers and instruments as the Lender may reasonably require or reasonably deem advisable to carry into effect the purposes of this Agreement and the Fee Agreement or to better assure and confirm to the Lender its rights, powers and remedies hereunder and under the Related Documents or to confirm this Agreement, and the other Related Documents, to carry out the purpose and intent hereof and thereof. At any time, and from time to time, upon request by the Lender, the Issuer will, at the Issuer's expense, (i) correct any defect, error or omission which may be discovered in the form or content of any of the Related Documents, and (ii) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates, and other documents as may, in the opinion of the Lender, be necessary or desirable in order to complete, perfect or continue and preserve the Lien of the Installment Purchase Agreement and hereof. Upon any failure by the Issuer to do so, the Lender may make, execute and record any and all such instruments, certificates and other documents for and in the name of the Issuer, all at the sole expense of the Issuer, and the Issuer hereby appoints the Lender the agent and attorney-in-fact of the Issuer to do so, this appointment being coupled with an interest and being irrevocable.

(z) *Immunity.* To the fullest extent permitted by applicable law, with respect to its obligations arising under this Agreement or any other Related Document, the Issuer irrevocably agrees that it will not assert or claim any immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) from (i) any action, suit or other proceeding arising under or relating to this Agreement or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or (iii) execution or enforcement of any judgment to which it or its revenues might otherwise be entitled in any such action, suit or other proceeding, and the Issuer hereby irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself, the Revenues (irrespective of their use or intended use), all such immunity.

(aa) *Ratings.* (i) Within six (6) months of the Closing Date, the Issuer, at its expense, shall obtain, or cause to be obtained, from at least one Rating Agency, either (A) a rating specifically assigned to Payment Agreement Parity Debt (which may include a rating on the WIFIA Loan Agreement) or (B) a long-term issuer credit rating on the Issuer.

(ii) From and after the date either such rating in the immediately preceding clause (i) is obtained, the Issuer (A) shall maintain either (1) a rating specifically assigned to Payment Agreement Parity Debt (which may include a rating on the WIFIA Loan Agreement) or (2) a long-term issuer credit rating on the Issuer and (B) shall not at any time withdraw any such long term unenhanced rating on its Payment Agreement Parity Debt or any such issuer credit rating from any Rating Agency if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement or reduce the Applicable Spread.

(bb) *Swap Contracts.* Without the prior written consent of the Lender, the Issuer shall not enter into any Swap Contracts relating to Debt wherein any termination payments thereunder are senior to or on parity with the payment of any Obligation.

ARTICLE SIX

DEFAULTS

Section 6.1. Events of Default and Remedies. If any of the following events shall occur, each such event shall be an “Event of Default”:

(a) The Authority or the Issuer shall fail to pay when due (i) the principal of any Loan or Term Loan or the Note; (ii) the interest on any Loan or Term Loan or the Note; or (iii) any other amount payable hereunder or under the Fee Agreement and, solely with respect to clause (iii) hereof;

(b) (i) The Authority shall default (A) in the due performance or observance of any term, covenant or agreement contained in Section 5.1(a), (b), (c)(i), (e), (f), (g), (h), (k), (l), (m), (n), (p), (t), (v), (w), (y) or (z) hereof; or (B) in the due performance or observance of any other term, covenant or agreement contained in this Agreement or any other Related Document and such default shall remain unremedied for a period of thirty (30) days after the occurrence thereof; or (ii) the Issuer shall default (A) in the due performance or observance of any term, covenant or agreement contained in Section 5.2(a), (b), (c)(i), (e), (f), (g), (h), (k), (l), (m), (n), (p), (t), (v), (w), (y), (z) or (aa) hereof; or (B) in the due performance or observance of any other term, covenant or agreement contained in this Agreement or any other Related Document and such default shall remain unremedied for a period of thirty (30) days after the occurrence thereof;

(c) Any representation, warranty, certification or statement made or deemed made by the Authority or the Issuer in this Agreement, any other Related Document or in any certificate, financial statement or other document delivered to the Lender pursuant to

this Agreement shall be incorrect or untrue in any material respect when made or deemed to have been made or delivered;

(d) (i) The Authority or the Issuer shall (A) default on the payment of the principal of or interest on any Payment Agreement Parity Debt, beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Payment Agreement Parity Debt was created or incurred; or (B) default in the observance or performance of any agreement or condition relating to any Payment Agreement Parity Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to permit or cause (determined without regard to whether any notice is required) any such Payment Agreement Parity Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Payment Agreement Parity Debt or to otherwise become due prior to its stated maturity; or (ii) the Authority or the Issuer shall (A) default on the payment of the principal of or interest on any Debt (other than Payment Agreement Parity Debt) aggregating in excess of \$1,000,000, beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Debt was created or incurred; or (B) default in the observance or performance of any agreement or condition relating to any Debt (other than Payment Agreement Parity Debt) aggregating in excess of \$1,000,000 or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to permit or cause (determined without regard to whether any notice is required) any such Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Debt or to otherwise become due prior to its stated maturity;

(e) The Authority, the Issuer, LVMWD or TWSD shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) become insolvent or shall not pay, or be unable to pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its respective Property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any corporate action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 6.1(f) of this Agreement;

(f) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the Authority, the Issuer, LVMWD or TWSD or any substantial part of

its Property, or a proceeding described in Section 6.1(e)(v) shall be instituted against the Authority, the Issuer, LVMWD or TWSD and such proceeding continues undischarged or any such proceeding continues undismissed or unstayed for a period of thirty (30) or more days;

(g) (i) A court of competent jurisdiction or other governmental authority with appropriate jurisdiction over the Authority, the Issuer, LVMWD or TWSD shall enter a final and non-appealable judgment, order or decree declaring any (x) obligation of the Authority or the Issuer contained in this Agreement or any Related Document or (y) Related Document, or material provision thereof, to be invalid, not binding or unenforceable against the Authority or the Issuer; (ii) any action is taken by the Authority, the Issuer, LVMWD or TWSD or any officer of the Authority, the Issuer, LVMWD or TWSD, respectively, to contest the validity or enforceability of this Agreement, any other Related Document or the Authority, the Issuer, LVMWD or TWSD or any officer of the Authority or the Issuer, as applicable, repudiates its obligations under any Related Document or any provision thereof or with respect to any Debt of the Authority or the Issuer secured by or payable from Purchaser Revenues or Revenues senior to or on a parity with the Obligations, or the Authority, the Issuer, LVMWD or TWSD shall seek an adjudication that this Agreement, any other Related Document is not valid and binding; or (iii) any material provision of this Agreement or any other Related Document, other than a provision described in this paragraph (g), shall at any time for any reason cease to be valid and binding on the Authority, the Issuer, LVMWD or TWSD or shall be declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the Authority, the Issuer, LVMWD or TWSD;

(h) A debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt of the Authority, the Issuer, LVMWD or TWSD by the Authority, the Issuer, LVMWD or TWSD or any Governmental Authority with appropriate jurisdiction;

(i) Dissolution or termination of the existence of the Authority, the Issuer, LVMWD or TWSD;

(j) Any final, unappealable judgment or judgments, writ or writs or warrant or warrants of attachment, order or decree or any similar process or processes, in an aggregate amount not less than \$10,000,000 shall be entered or filed against LVMWD, TWSD, the Authority or the Issuer or against any of their respective Property and remain unpaid, unvacated, unbonded or unstayed for a period of sixty (60) days;

(k) Any of the funds or accounts established pursuant to Installment Purchase Agreement or the Payment Agreements or any funds or accounts on deposit, or otherwise to the credit of, such funds or accounts shall become subject to any stay, writ, judgment, warrant of attachment, execution or similar process by any of the creditors of the Authority or the Issuer relating to an obligation or obligations of the Authority or the Issuer, as applicable, in excess of \$10,000,000 and such stay, writ, judgment, warrant of attachment,

execution or similar process shall not be released, vacated or stayed within fifteen (15) days after its issue or levy;

(l) Any pledge or security interest created by this Agreement or any Related Document to secure any amount due by the Authority or the Issuer under this Agreement, the Fee Agreement or the Note shall fail to be fully enforceable with the priority required hereunder or thereunder;

(m) (i) Any event which materially and adversely affects the ability of the Authority or the Issuer to observe and perform its obligations under this Agreement or the Fee Agreement shall have occurred and be continuing, (ii) any event which materially and adversely affects the ability of the Authority or the Issuer to observe and perform its obligations under any Related Document shall have occurred and be continuing, (iii) any Related Document shall be amended and such amendment materially and adversely affects the ability of the Authority or the Issuer to observe and perform its obligations under this Agreement or the Fee Agreement or (iv) any event which materially and adversely affects the ability of LVMWD or TWSD to observe and perform its obligations under its respective Payment Agreement shall have occurred and be continuing;

(n) An “event of default” (or similar event) shall have occurred under any of the Related Documents;

(o) There shall be appointed or designated with respect to LVMWD, TWSD, the Authority or the Issuer, an entity such as an organization, board, commission, authority, agency or body to declare a financial emergency or similar state of financial distress with respect to it or there shall be declared by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it;

(p) The (i) downgrade by any Rating Agency of (A) its long-term unenhanced rating with respect to any Payment Agreement Parity Debt or (B) its long-term issuer credit rating on the Issuer, in any case, to a level below “Baa3” (or its equivalent) in the case of Moody’s, “BBB-” (or its equivalent) in the case of S&P or “BBB-” (or its equivalent) in the case of Fitch or (ii) suspension or withdrawal by any Rating Agency of its respective long-term unenhanced rating on any Payment Agreement Parity Debt or issuer credit rating on the Issuer for credit-related reasons.

(q) (i) Any Project Participant shall default in the making of any payment of its Allocated Share when due to the Issuer under (and as defined in) its respective Payment Agreement or (ii) the Authority shall have failed to make written demand upon and notify a Project Participant within one (1) Business Day of any failure of such Project Participant to make any payment in full when due under the related Payment Agreement;

(r) (i) LVMWD shall (A) default on the payment of the principal of or interest on any LVMWD Revenues Debt, beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such LVMWD Revenues Debt

was created or incurred; or (B) default in the observance or performance of any agreement or condition relating to any LVMWD Revenues Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to permit or cause (determined without regard to whether any notice is required) any such LVMWD Revenues Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such LVMWD Revenues Debt or to otherwise become due prior to its stated maturity;

(s) LVMWD shall failed to comply with Section 6 of the LVMWD Payment Agreement as modified by Sections 5.1(p) and 5.2(p) hereof, as applicable;

(t) LVMWD shall have issued or incurred any LVMWD Revenues Debt without satisfying the requirements set forth in Section 2(b) of the LVMWD Payment Agreement;

(u) (i) TWSD shall (A) default on the payment of the principal of or interest on any TWSD Revenues Debt, beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such TWSD Revenues Debt was created or incurred; or (B) default in the observance or performance of any agreement or condition relating to any TWSD Revenues Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to permit or cause (determined without regard to whether any notice is required) any such TWSD Revenues Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such TWSD Revenues Debt or to otherwise become due prior to its stated maturity;

(v) TWSD shall failed to comply with Section 6 of the TWSD Payment Agreement as modified by Sections 5.1(p) and 5.2(p) hereof, as applicable; or

(w) TWSD shall have issued or incurred any TWSD Revenues Debt without satisfying the requirements of Section 2(b) of the TWSD Payment Agreement.

Section 6.2. Remedies. Upon the occurrence of any Event of Default, the Lender may exercise any one or more of the following rights and remedies in addition to any other remedies herein or by law provided:

(a) declare all Obligations to be immediately due and payable, whereupon the same shall be immediately due and payable without any further notice of any kind, which notice is hereby waived by the Authority or the Issuer; *provided, however*, that in the case of an Event of Default described in Section 6.1(e), 6.1(f) or 6.1(h) hereof, such acceleration shall automatically occur (unless such automatic acceleration is waived by the Lender in writing); or

(b) give notice to the Authority or the Issuer that its obligation to make Loans and Term Loans hereunder is terminated (the Authority or the Issuer hereby acknowledge that upon the occurrence of an Event of Default described in Section 6.1(e), 6.1(f) or 6.1(h) hereof, the Lender's obligation to make Loans and Term Loans shall automatically terminate without the giving of any notice) with respect thereto; or

(c) pursue any rights and remedies it may have under the Related Documents;
or

(d) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of the Authority and/or the Issuer under the Related Documents, whether for specific performance of any agreement or covenant of the Authority or in aid of the execution of any power granted to the Lender in the Related Documents.

ARTICLE SEVEN

MISCELLANEOUS

Section 7.1. Amendments, Waivers, Etc. No amendment or waiver of any provision of this Agreement, or consent to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 7.2. Notices. All notices and other communications provided for hereunder (except as provided in Section 2.2(b) hereof) shall be in writing (including required copies) and sent by receipted hand delivery (including Federal Express or other receipted courier service), facsimile transmission, or regular mail, as follows:

(a)	if to the Authority:	Las Virgenes-Triunfo Joint Powers Authority c/o Las Virgenes Municipal Water District 4232 Las Virgenes Road Calabasas, California 91302-1994 Attention: Assistant General Manager Telephone: () _____ Telecopy: () _____

(b) If to the Issuer: Las Virgenes-Triunfo Public Financing Authority
c/o Las Virgenes Municipal Water District
4232 Las Virgenes Road
Calabasas, California 91302-1994
Attention: Assistant General Manager
Telephone: () _____
Telecopy: () _____

(c) if to the Lender, with respect to the Loans: Wells Fargo Municipal Capital Strategies, LLC

Attention:
Telephone:
Email:

(d) if to the Lender, with respect to all matters: _____
Attention:
Telephone:
Email:

With a copy to:

Attention:
Telephone:
Email:

or, as to each Person named above, at such other address as shall be designated by such Person in a written notice to the parties hereto. All such notices and other communications shall, when delivered, sent by facsimile transmission or mailed, be effective when deposited with the courier, sent by facsimile transmission or mailed respectively, addressed as aforesaid, except that Notices of Borrowings submitted to the Lender shall not be effective until received by the Lender.

Section 7.3. Survival of Covenants; Successors and Assigns. (a) All covenants, agreements, representations, and warranties made herein and in the certificates delivered pursuant hereto shall survive the making of any Loan and Term Loan hereunder and shall continue in full force and effect until the Commitment and this Agreement shall have terminated and all of the Obligations hereunder shall have been paid in full. Whenever in this Agreement any of the parties hereto is referred to, such reference shall, subject to the last sentence of this Section 7.3, be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the Authority and the Issuer which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Lender and the Noteholders, and their respective permitted successors, transferees and assigns as set forth herein. The Authority and the Issuer may not transfer their respective rights or obligations under this Agreement without the prior written consent of the Lender. Except as otherwise expressly permitted by this Section 7.3 and Section 7.18 hereof, neither the Lender nor any Noteholder may transfer its rights or obligations under this

Agreement or the Note without the prior written consent of the Authority and the Issuer. This Agreement is made solely for the benefit of the Authority, the Issuer and the Lender, and no other Person shall have any right, benefit or interest under or because of the existence of this Agreement.

(b) Notwithstanding the foregoing, the Lender and each Noteholder shall be permitted to grant to one or more financial institutions (each a “*Participant*”) a participation or participations in all or any part of the Lender’s or such Noteholder’s rights and benefits and obligations under this Agreement, the Note and the Commitment on a participating basis but not as a party to this Agreement (a “*Participation*”) without the consent of the Authority and the Issuer. In the event of any such grant by the Lender or a Noteholder of a Participation to a Participant, the Lender and such Noteholder shall remain responsible for the performance of its obligations hereunder, and the Authority and the Issuer shall continue to deal solely and directly with the Lender in connection with the Lender’s rights and obligations under this Agreement. The Authority and the Issuer agree that each Participant shall, to the extent of its Participation, be entitled to the benefits of this Agreement as if such Participant were the Lender or such Noteholder, *provided* that no Participant shall have the right to declare, or to take actions in response to, an Event of Default under Section 6.1 hereof; *provided further* that the Authority’s and the Issuer’s liability to any Participant shall not in any event exceed that liability which the Authority and the Issuer would owe to the Lender but for such participation.

(c) *Noteholders Generally.* (i) Each Noteholder may, in its sole discretion and in accordance with applicable law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Note and the Related Documents in accordance with the provisions of paragraph (ii) or (iii) of this subsection (c). Each Noteholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (b) of this Section 7.3. Each Noteholder may at any time pledge or assign a security interest subject to the restrictions of Section 7.18 hereof. Wells Fargo Municipal Capital Strategies, LLC shall be the Lender hereunder until such time as the Majority Noteholder designates an alternate Person to serve as the Lender hereunder by delivery of written notice to the Authority and the Issuer and such Person accepts and agrees to act as the Lender hereunder and under the Related Documents. The Majority Noteholder may so designate an alternate Person that is an owner of the Note to act as the Lender from time to time. Upon acceptance and notification thereof to the Authority and the Issuer, the successor to the Lender for such purposes shall thereupon succeed to and become vested with all of the rights, powers, privileges and responsibilities of the Lender, and Wells Fargo Municipal Capital Strategies, LLC or any other Person being replaced as the Lender shall be discharged from its duties and obligations as the Lender hereunder. Notwithstanding anything to the contrary set forth herein, Wells Fargo Municipal Capital Strategies, LLC may not assign its obligations to advance or make Loans or Term Loans pursuant to the terms of this Agreement without the prior written consent of the Authority and the Issuer (such consent not to be unreasonably withheld) and the Authority’s and the Issuer’s liability to any successor Lender or to any Noteholder shall not in any event exceed that liability which the Authority and the Issuer would have owed to Wells Fargo Municipal Capital Strategies, LLC but for any such assignment, sale or transfer, in whole or in part, of this Agreement, its interest in the Note or the Related Documents. In addition, if the Lender makes any Loan or Term Loan hereunder, the Lender has no present intent to assign or sell any such Loan or Term Loan and all or any portion of the Note relating thereto.

(ii) *Sales and Transfers by Noteholder to a Lender Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer to one or more transferees all or a portion of the Loans, the Term Loans and/or the Note to a Person that is (A) a Lender Affiliate or (B) a trust or other custodial arrangement established by the Lender or a Lender Affiliate, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act (each, a “*Lender Transferee*”). From and after the date of such sale or transfer, Wells Fargo Municipal Capital Strategies, LLC (and its successors) shall continue to have all of the rights of the Lender hereunder and under the other Related Documents as if no such transfer or sale had occurred; *provided, however*, that (x) no such sale or transfer referred to in clause (ii)(A) or (ii)(B) hereof shall in any way affect the obligations of the Lender hereunder, (y) the Authority and the Issuer shall be required to deal only with the Lender with respect to any matters under this Agreement and (z) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Lender shall be entitled to enforce the provisions of this Agreement against the Authority and the Issuer.

(iii) *Sales and Transfers by Noteholder to a Non-Lender Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer all or a portion of the Loans, the Term Loans and/or the Note to one or more transferees which are not Lender Transferees but each of which constitutes (A) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act and (B) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this clause (iii), of not less than \$5,000,000,000 (each a “*Non-Lender Transferee*”) all or a portion of the Note if (1) written notice of such sale or transfer, including that such sale or transfer is to a Non-Lender Transferee, together with addresses and related information with respect to the Non-Lender Transferee, shall have been given to the Authority, the Issuer and the Lender (if different than the Noteholder) by such selling Noteholder and Non-Lender Transferee and (2) the Non-Lender Transferee shall have delivered to the Authority, the Issuer and the selling Noteholder, an investment letter in substantially the form delivered by the Lender on the Closing Date (the “*Investor Letter*”); *provided, however*, that any such sale or transfer shall be in a minimum amount of \$250,000.

From and after the date the Authority, the Issuer and the selling Noteholder have received written notice and an executed Investor Letter for such Non-Lender Transferee, (A) the Non-Lender Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Noteholder hereunder and under the other Related Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Lender Transferee, and any reference to the assigning Noteholder hereunder and under the other Related Documents shall thereafter refer to such transferring Noteholder and to the Non-Lender Transferee to the extent of their respective interests, and (B) if the transferring Noteholder no longer owns the Note, then it shall relinquish its rights and be released from its obligations hereunder and under the Related Documents.

Section 7.4. Unconditional Obligations. The obligations of the Authority and the Issuer under this Agreement and the Fee Agreement shall be primary, absolute, independent,

unconditional and irrevocable and shall be paid and performed strictly in accordance with the terms of this Agreement and the Fee Agreement, including without limitation the following circumstances:

- (a) Any lack of validity or enforceability of the Related Documents or any other agreement or instrument relating to any of the above;
- (b) Any amendment or waiver of, or any consent to or departure from, any provision of any of the Related Documents, except for any waiver or consent granted by the Lender;
- (c) The existence of any claim, setoff, defense or other rights that the Authority and the Issuer may have at any time against the Lender or any other Person, whether in connection with this Agreement, the Related Documents or any unrelated transaction;
- (d) Any breach of contract or other dispute between the Authority and the Issuer and any Noteholder, the Lender or any other Person;
- (e) Any demand, statement or any other document presented hereunder proving to have been forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;
- (f) Payment by the Lender hereunder against presentation of a draft or certificate which does not comply strictly with the terms of this Agreement; or
- (g) The failure by the Lender to honor any Notice of Borrowing hereunder or to make any payment demanded hereunder on the grounds that the demand for such payment does not conform strictly to the terms and conditions of this Agreement.

Section 7.5. Liability of Lender; Indemnification. (a) (i) Except as provided in this Agreement, the Lender shall not be obligated to issue any further credits, to cure any defaults under any Related Document or otherwise, or in any other manner to extend any financial consideration or accommodation to the Authority and the Issuer.

(ii) The Lender shall not be deemed to have waived or released any of its rights or remedies (whether specified in or arising under this Agreement, the Fee Agreement or otherwise available to it by law or agreement) unless the Lender shall have signed a written waiver or release. Delay or failure to act on the Lender's part shall not constitute a waiver of or otherwise preclude enforcement of any of their rights and remedies. All of the Lender's rights and remedies shall be cumulative and may be exercised separately or concurrently. The Lender need not resort to any particular right or remedy before exercising or enforcing any other, and the Lender's resort to any right or remedy shall not preclude the exercise or enforcement of any other right or remedy.

(iii) Neither the Lender nor any of its officers, directors, employees or agents shall be liable or responsible for:

(A) The use that may be made of the Commitment or the Loans or Term Loans;

(B) The form, validity, sufficiency, accuracy or genuineness of documents, or of any endorsements thereon, even if such documents should prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged, so long as the Lender was not grossly negligent or guilty of willful misconduct as determined by a court of competent jurisdiction;

(C) Payment by the Lender against presentation of documents that do not comply strictly with the terms of this Agreement, including failure of any documents to bear any reference or adequate reference to this Agreement;

(D) The validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign this Agreement or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason;

(E) Errors, omissions, interruptions or delays in transmission or delivery of any messages by telex, mail, cable, telegraph, facsimile or otherwise, whether or not they have been in cipher, including any Notices of Borrowing under this Agreement;

(F) Errors in interpretation of technical terms; or

(G) Any consequences arising from causes beyond the control of the Lender, including, without limitation, any Government Acts;

provided that, notwithstanding anything in the preceding clauses (A) through (G) to the contrary, the Authority and the Issuer shall have a claim against the Lender, and the Lender shall be liable to the Authority and the Issuer, to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by the Authority and the Issuer that the Authority and the Issuer prove were caused by (A) the Lender's failure to pay under this Agreement after the presentation to it by the Authority and the Issuer of a certificate strictly complying with the terms and conditions of this Agreement or (B) the Lender's willful or grossly negligent payment under this Agreement as determined by a court of competent jurisdiction in a final non-appealable judgment.

In furtherance and not in limitation of the foregoing, the Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

(b) (i) To the maximum extent permitted by applicable law, each of the Authority and the Issuer agree to indemnify, save and hold harmless each Lender-Related Person from and against: (A) any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever (including reasonable attorneys' fees) which may incur or which may be claimed against an

Indemnatee by any Person or entity whatsoever or that may at any time (including at any time following repayment of the Obligations) be asserted or imposed against any Lender-Related Person arising out of or relating to this Agreement, the Loans and Term Loans, the Fee Agreement or any Related Document, the use or contemplated use of the proceeds of any Loan or Term Loan, or the relationship of the Authority or the Issuer and the Lender under this Agreement or any Related Document; (B) any investigative, administrative or judicial proceeding by any Governmental Authority arising out of or related to a claim, demand, action or cause of action described in subsection (A) above; and (C) any and all liabilities (including liabilities under indemnities), losses, costs or expenses (including attorney costs) that any Lender-Related Person suffers or incurs as a result of the assertion of any foregoing claim, demand, action, cause of action or proceeding, or as a result of the preparation of any defense in connection with any foregoing claim, demand, action, cause of action or proceeding, in all cases, and whether or not a Lender-Related Person is a party to such claim, demand, action, cause of action or proceeding; *provided* that no Lender-Related Person shall be entitled to indemnification for any claim caused by its own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final non-appealable judgment. The agreements in this subsection shall survive the termination of this Agreement and repayment of all of the Obligations.

(ii) To the fullest extent permitted by applicable law, the Authority and the Issuer shall not assert, and hereby waive, and acknowledges that no other Person shall have, any claim against any Lender-Related Person, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Related Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the making of Loans and Term Loans by the Lender or the use of the proceeds thereof. No Lender-Related Person referred to in this Section 7.5 above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Lender-Related Person through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Related Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Lender-Related Person as determined by a final and non-appealable judgment of a court of competent jurisdiction.

(iii) To the maximum extent permitted by applicable law, the Authority and the Issuer shall also indemnify and hold harmless the Lender from any transfer taxes, documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement and the Related Documents or the making available of the Commitment. The agreements in this subsection shall survive the termination of this Agreement and repayment of all of the Obligations.

Section 7.6. Expenses. The Authority and the Issuer will promptly pay (i) the reasonable fees and expenses of counsel to the Lender incurred in connection with the preparation, execution and delivery of this Agreement and the other Related Documents, (ii) the reasonable out-of-pocket expenses of the Lender incurred in connection with the preparation, execution and delivery of this Agreement and the other Related Documents, (iii) the reasonable fees and disbursements of counsel to the Lender with respect to advising the Lender as to the rights and responsibilities under

this Agreement after the occurrence of an Event of Default and (iv) all reasonable costs and expenses, if any, in connection with the administration and enforcement of this Agreement and the Related Documents and any other documents which may be delivered in connection herewith or therewith, including in each case the fees and disbursements of counsel to the Lender. In addition, the Authority and the Issuer agree to pay, after the occurrence of an Event of Default, all reasonable costs and expenses (including attorneys' and consultants' fees and costs of settlement) incurred by the Lender in enforcing any obligations or in collecting any payments due from the Authority and the Issuer hereunder by reason of such Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "workout" or of any insolvency or bankruptcy proceedings. The obligations of the Authority and the Issuer under this Section 7.6 shall survive the termination of this Agreement.

Section 7.7. No Waiver; Conflict. No failure by the Lender to exercise, and no delay or omission by the Lender in exercising any right, power or privilege hereunder, nor any course of dealing with respect to any of the same, shall operate as a waiver thereof, preclude any other or further exercise thereof nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. No delay or omission by the Lender in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right remedy or power or be construed to be a waiver of any default on the part of the Purchaser or to be acquiescence therein. The rights, remedies, powers and privileges herein provided and provided under each other Related Document (whether specifically herein given or otherwise existing) are cumulative, nonexclusive and concurrent and not exclusive of any rights, remedies, powers and privileges provided by law. Every right, power and remedy (whether specifically herein given or otherwise existing) may be exercised from time to time and as often and in such order as may be deemed expedient by the Lender. No express or implied waiver by the Lender of any Default or Event of Default shall in any way be a waiver of any future or subsequent Default or Event of Default. In case the Lender shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Related Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Lender shall have the unqualified right so to do and, in such event, the Authority, the Issuer and the Lender shall be restored to their former positions with respect to the Obligations, the Related Documents and otherwise, and the rights, remedies, recourse and powers of the Lender hereunder shall continue as if the same had never been invoked. The rights and remedies of the Lender specified herein are for the sole and exclusive benefit, use and protection of the Lender, and the Lender is entitled, but shall have no duty or obligation to the Authority, the Issuer or any other Person or otherwise, to exercise or to refrain from exercising any right or remedy reserved to the Lender hereunder or under any of the other Related Documents.

Section 7.8. Modification, Amendment, Waiver, Etc. No modification, amendment or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed in accordance with Section 7.1 hereof.

Section 7.9. Dealing with the Authority and the Issuer. The Lender and its affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with the Authority and the Issuer regardless of the capacity of the Lender hereunder.

Section 7.10. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by law.

Section 7.11. Counterparts; Integration; Effectiveness; Electronic Execution. (a) *Counterparts; Integration; Effectiveness.* This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Related Documents, and any separate letter agreements with respect to fees payable to the Lender, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 3.1, this Agreement shall become effective when it shall have been executed by the Lender and when the Lender shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) *Electronic Execution.* The words “execute,” “execution,” “signed,” “signature,” “delivery” and words of like import in or related to this Agreement, any other Related Document or any document, amendment, approval, consent, waiver, modification, information, notice, certificate, report, statement, disclosure, or authorization to be signed or delivered in connection with this Agreement or any other Related Document or the transactions contemplated hereby shall be deemed to include Electronic Signatures or execution in the form of an Electronic Record, and contract formations on electronic platforms approved by the Lender, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each party hereto agrees that any Electronic Signature or execution in the form of an Electronic Record shall be valid and binding on itself and each of the other parties hereto to the same extent as a manual, original signature. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the parties of a manually signed paper which has been converted into electronic form (such as scanned into PDF format), or an electronically signed paper converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, the Lender is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Lender pursuant to procedures approved by it; *provided* that without limiting the foregoing, (i) to the extent the Lender has agreed to accept such Electronic Signature from any party hereto, the Lender and the other parties hereto shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the executing party without further verification and (ii) upon the request of the Lender, any Electronic Signature shall be promptly followed by an original manually executed counterpart thereof. Without limiting the generality of the foregoing, each

party hereto hereby (A) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Lender and any of the other parties hereto, electronic images of this Agreement or any other Related Document (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (B) waives any argument, defense or right to contest the validity or enforceability of the Related Documents based solely on the lack of paper original copies of any Related Documents, including with respect to any signature pages thereto.

Section 7.12. Table of Contents; Headings. The table of contents and the section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

Section 7.13. Entire Agreement. THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO AS TO SUCH SUBJECT MATTER.

Section 7.14. Governing Law. THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA AND APPLICABLE FEDERAL LAW.

Section 7.15. Waiver of Jury Trial. (a) TO THE FULL EXTENT PERMITTED BY LAW, THE AUTHORITY, THE ISSUER AND THE LENDER EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY FOR ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE FEE AGREEMENT, ANY OF THE OTHER RELATED DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH OF THE AUTHORITY, THE ISSUER AND THE LENDER FURTHER AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT JURY. WITHOUT LIMITING THE FOREGOING, TO THE EXTENT PERMITTED BY LAW, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION 7.15 AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT, THE FEE AGREEMENT, AND/OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND/OR THE FEE AGREEMENT.

(b) IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE ADJUDICATION OF ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ALL ISSUES IN SUCH REFERENCE, WHETHER FACT OR LAW. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A

TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

(c) The covenants and waivers made pursuant to this Section 7.15 shall be irrevocable and unmodifiable, whether in writing or orally.

Section 7.16. Right of Setoff; Other Collateral. (a) Upon the occurrence and during the continuance of an Event of Default, the Lender is hereby authorized at any time and from time to time without notice to the Authority or the Issuer (any such notice being expressly waived by the Authority and the Issuer), and to the fullest extent permitted by law, to setoff, to exercise any banker's lien or any right of attachment and apply any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or monies at any time held and other indebtedness at any time owing by the Lender to or for the account of the Authority and the Issuer (irrespective of the currency in which such accounts, monies or indebtedness may be denominated and the Lender is authorized to convert such accounts, monies and indebtedness into United States dollars) against any and all of the Obligations of the Authority and the Issuer, whether or not the Lender shall have made any demand for any amount owing to the Lender by the Authority and the Issuer.

(b) The rights of the Lender under this Section 7.16 are in addition to, in augmentation of, and, except as specifically provided in this Section 7.16, do not derogate from or impair, other rights and remedies (including, without limitation, other rights of setoff) which the Lender may have hereunder or under the other Related Documents.

Section 7.17. USA Patriot Act. The Lender hereby notifies the Authority and the Issuer that, pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107 56 signed into law October 26, 2001) (the "*Patriot Act*") or any other Anti-Money Laundering Laws, it is required to obtain, verify and record information that identifies the Authority and the Issuer, which information includes the name and address of the Authority and the Issuer and other information that will allow the Lender to identify the Authority and the Issuer in accordance with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act or such Anti-Money Laundering Laws. The Authority and the Issuer hereby agree that it shall promptly provide such information upon request by the Lender.

Section 7.18. Assignment to Federal Reserve Bank. The Lender and each other Noteholder may assign and pledge all or any portion of the Obligations owing to it to any Federal Reserve Bank or the United States Treasury, including, without limitation, as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank or to any state or local governmental entity or with respect to public deposits; *provided* that any payment in respect of such assigned Obligations made by the Authority and the Issuer or on its behalf to the Lender in accordance with the terms of this Agreement shall satisfy the Authority's and the Issuer's Obligations hereunder in respect of such

assigned Obligation to the extent of such payment. No such assignment shall release the Lender from its obligations hereunder.

Section 7.19. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), each of the Authority and the Issuer acknowledges and agrees that: (a) (i) the services regarding this Agreement provided by the Lender and any Affiliate thereof are arm's-length commercial transactions between the Authority and the Issuer, on the one hand, and the Lender and its Affiliates, on the other hand, (ii) the Authority and the Issuer have consulted their own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Authority and the Issuer are capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents; (b) (i) the Lender and its Affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary pursuant to Section 15B of the Securities Exchange Act of 1934 or otherwise, for the Authority and the Issuer or any other Person and (ii) neither the Lender nor any of its Affiliates has any obligation to the Authority and the Issuer with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Related Documents; and (c) the Lender and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Authority and the Issuer, and neither the Lender nor any of its Affiliates has any obligation to disclose any of such interests to the Authority and the Issuer. To the fullest extent permitted by Law, each of the Authority and the Issuer hereby waives and releases any claims that it may have against the Lender or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

Section 7.20. EMMA Postings. In the event the Authority or the Issuer files with EMMA, this Agreement, any Related Documents or any description of the material terms thereof or notice of any agreement to covenants, events of default, remedies, priority rights or other similar terms with respect thereto, either voluntarily or as required pursuant a continuing disclosure agreement or Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule") (each such posting, an "EMMA Posting"), the Authority and the Issuer shall (i) provide the Lender with a copy of each EMMA Posting prior to submitting or posting on EMMA and (ii) shall not file or permit the filing of any EMMA Posting that includes Confidential Information. Each of the Authority and the Issuer acknowledges and agrees that although the Lender may request or review edits or redactions of such materials prior to filing, the Lender is not responsible for the Authority's, the Issuer's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with any continuing disclosure agreement or any applicable securities or other laws, including, but not limited to, those relating to the Rule.

Section 7.21. US QFC Stay Rules.

(a) *Recognition of U.S. Resolution Regimes.* In the event that any party that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of

this Agreement (and any interest and obligation in or under this Agreement and any property securing this Agreement) from such Covered Entity will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement (and any such interest, obligation and property) were governed by the laws of the United States or a state of the United States. In the event that any party that is a Covered Entity or a BHC Act Affiliate of such party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights against such party with respect to this Agreement are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States. The requirements of this paragraph (a) apply notwithstanding the provisions of paragraph (b).

(b) *Limitation on the Exercise of Certain Rights Related to Affiliate Insolvency Proceedings.* Notwithstanding anything to the contrary in this Agreement or any related agreement, but subject to the requirements of paragraph (a), no party to this Agreement shall be permitted to exercise any Default Right against a party that is a Covered Entity with respect to this Agreement that is related, directly or indirectly, to a BHC Act Affiliate of such Covered Entity becoming subject to Insolvency Proceedings, except to the extent the exercise of such Default Right would be permitted under 12 C.F.R. § 252.84, 12 C.F.R. § 47.5, or 12 C.F.R. § 382.4, as applicable. After a BHC Act Affiliate of a party that is a Covered Entity has become subject to Insolvency Proceedings, any party that seeks to exercise a Default Right against such Covered Entity with respect to this Agreement shall have the burden of proof, by clear and convincing evidence, that the exercise of such Default Right is permitted hereunder.

“*BHC Act Affiliate*” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“*Covered Entity*” means any of the following:

(a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Default Right*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“*Insolvency Proceeding*” means a receivership, insolvency, liquidation, resolution, or similar proceeding.

“*U.S. Special Resolution Regime*” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

Section 7.22. Treatment of Certain Information; Confidentiality. The Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective Related Parties in connection with the Loans, this Agreement, the transactions contemplated hereby or in connection with marketing of services by such Affiliate or Related Party to the Authority and the Issuer or any of their Subsidiaries (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by, or required to be disclosed to, any regulatory or similar authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners) or in accordance with the Lender's regulatory compliance policy if the Lender deems such disclosure to be necessary for the mitigation of claims by those authorities against the Lender or any of its Related Parties (in which case, the Lender shall use commercially reasonable efforts to, except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority, promptly notify the Authority and the Issuer, in advance, to the extent practicable and otherwise permitted by Applicable Law), (c) as to the extent required by Applicable Laws or regulations or in any legal, judicial, administrative proceeding or other compulsory process, (d) to any other party hereto, (e) in connection with the exercise of any remedies under this Agreement, or under any other Related Document, or any action or proceeding relating to this Agreement or any other Related Document, or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 7.22, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement and, in each case, their respective financing sources, (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Authority and the Issuer and their obligations, this Agreement or payments hereunder, or (iii) a nationally recognized rating agency that requires access to information regarding the Authority and the Issuer and their Subsidiaries, the Loans and the Related Documents, (g) on a confidential basis to (i) any rating agency in connection with rating the Authority and the Issuer or their Subsidiaries or the Loans or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Loans, (h) with the consent of the Authority and the Issuer, (i) deal terms and other information customarily reported to Thomson Reuters, other bank market data collectors and similar service providers to the lending industry and service providers to the Lender in connection with the administration of the Related Documents, (j) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 7.22 or (ii) becomes available to the Lender or any of its respective Affiliates from a third party that is not, to such Person's knowledge, subject to confidentiality obligations to the Authority and the Issuer, (k) to the extent that such information is independently developed by such Person, (l) to the extent required by an insurance company in connection with providing insurance coverage or providing reimbursement pursuant to this Agreement or (m) for purposes of establishing a "due diligence" defense. For purposes of this Section 7.22, "*Information*" means all information received from the Authority and the Issuer or any Subsidiary thereof relating to the Authority and the Issuer or any Subsidiary thereof or any of their respective businesses, other than any such information that is available to the Lender on a nonconfidential basis prior to disclosure by the Authority and the Issuer or any Subsidiary thereof; *provided* that, in the case of information received from the Authority and the

Issuer or any Subsidiary thereof after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 7.22 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 7.23. Waiver of Rule of Construction. The Authority and the Issuer each hereby waive any and all provisions of law to the effect that an ambiguity in a contract or agreement should be interpreted against the party responsible for its drafting.

Section 7.24. Acknowledgement and Appointment as the Calculation Agent. Wells Fargo Bank, National Association hereby acknowledges and accepts its appointment as Calculation Agent hereunder and acknowledges, accepts and agrees to all the duties and obligations of the Calculation Agent set forth herein.

[Execution Page Follows]

IN WITNESS WHEREOF, the Authority, the Issuer and the Lender have duly executed this Agreement as of the date first above written.

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY

By: _____
[NAME], Chair of the Board

ATTEST:

[NAME], Secretary of the Board

LAS VIRGENES-TRIUNFO PUBLIC FINANCING
AUTHORITY

By: _____
[NAME], Chair of the Board

ATTEST:

[NAME], Secretary of the Board

WELLS FARGO MUNICIPAL CAPITAL STRATEGIES, LLC

By: _____
Name: _____
Title: _____

Acknowledged and Agreed as to Section 7.24
of the Credit Agreement.

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Calculation Agent

By _____
Name: _____
Title: _____

EXHIBIT A

FORM OF NOTE

**THE TRANSFERABILITY OF THIS NOTE IS RESTRICTED AS DESCRIBED IN
SECTION 7.3 OF THE CREDIT AGREEMENT**

**LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY
[TAX-EXEMPT NOTE (WELLS FARGO CREDIT AGREEMENT)]**

[____], 2026

\$[_____]

The Las Virgenes-Triunfo Public Financing Authority (the “*Issuer*”), for value received, hereby promise to pay to the order of Wells Fargo Municipal Capital Strategies, LLC (the “*Lender*”), pursuant to the Credit Agreement dated as of [____], 2026 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “*Credit Agreement*”), among Las Virgenes-Triunfo Joint Powers Authority (the “*Authority*”), the Issuer and the Lender and that certain Fee Agreement dated [____], 2026 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “*Fee Agreement*”), [between] [among] the Authority, the Issuer and the Lender, at the office of the Lender at [____] (or such other address as designated by the Lender to the Authority and the Issuer in writing), the aggregate unpaid principal amount of all Obligations (as defined in the Credit Agreement) pursuant to the Credit Agreement and the Fee Agreement on the dates and in the amounts provided for in the Credit Agreement and the Fee Agreement.

The Issuer promise to pay interest on the unpaid principal amount of all Loans and all Term Loans owed to the Lender under the Credit Agreement and the Fee Agreement on the dates and at the rate or rates provided for in the Credit Agreement and the Fee Agreement. All payments of principal and interest shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Credit Agreement.

This Note is the “*Note*” referred to in the Credit Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. As provided in the Credit Agreement, this Note is subject to prepayment, in whole or in part, in accordance with the terms of the Credit Agreement.

The Lender agrees, by acceptance of this Note, that it will make a notation on the schedule attached hereto of all Loans and all Term Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid, all as provided in the Credit Agreement; *provided, however*, that the failure to make any such notation shall not limit or otherwise affect the obligation of the Issuer hereunder with respect to payments of principal of and interest on this Note.

This Note is authorized by the Authority and the Issuer to be issued to provide funds for the purposes set forth in the Credit Agreement and for other authorized purposes, including to pay the principal amount of Loans and related Term Loans theretofore issued. This Note is issued under and pursuant to and in full compliance with the Payment Agreements, the Installment Purchase Agreement and the Credit Agreement providing for the issuance and sale and fixing the form and details of this Note.

This Note is an obligation of the Authority and the Issuer secured as more fully described in Section 2.20 of the Credit Agreement.

It is hereby certified that all conditions, acts and things essential to the validity of this Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the Issuer has caused this Note to be executed by an authorized officer of the Issuer and this Note to be dated as of date set forth above.

LAS VIRGENES-TRIUNFO PUBLIC FINANCING
AUTHORITY

By: _____
[NAME], Chair of the Board

ATTEST:

[NAME], Secretary of the Board

**SCHEDULE FOR [TAX-EXEMPT NOTE]
DATED [____], 2026
BY LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY
PAYABLE TO WELLS FARGO MUNICIPAL CAPITAL STRATEGIES, LLC**

DATE	AMOUNT OF LOAN OR TERM LOAN MADE	AMOUNT OF PRINCIPAL PAID	DATE TO WHICH INTEREST PAID	DUE DATE	NOTATION MADE BY

EXHIBIT B

FORM OF NOTICE OF BORROWING

[Date]

To: _____

Attention: _____
Telephone: _____
E-Mail: _____

[With a copy to:

Attention: _____
Telephone: _____
E-Mail: _____]

FROM: Las Virgenes-Triunfo Joint Powers Authority and Las Virgenes-Triunfo Public Financing Authority

Re: Credit Agreement
(the “*Credit Agreement*”) dated as of [____], 2026, among
Las Virgenes-Triunfo Joint Powers Authority, Las Virgenes-Triunfo Public
Financing Authority and the Lender

We hereby give notice, pursuant to Section 2.2(a) of the Credit Agreement, of the following proposed Borrowing:

Date of Borrowing [Date]
Loan Principal Amount..... [\$xx,xxx,xxx]
Amount of Loans Outstanding..... [\$xxx,xxx,xxx]

The proceeds of such Loan are to be wire transferred to the following account:

Pay: Account Name: _____
 Bank Name: _____
 ABA Number: _____
 Account Number: _____

[Attached hereto is an executed copy of the [Tax Certificate/Supplemental Tax Certificate] relating to such Loan which includes the related form 8038-G.]

The rates of interest on the Loan will not exceed the Maximum Interest Rate.

The undersigned hereby acknowledges on and as of the date hereof that submission of this notice shall be deemed to be a representation and warranty by the Authority on the date of such Borrowing as to the facts specified in clauses (b), (c) and (d) of Section 3.2 of the Credit Agreement and that no Default or Event of Default has occurred and is continuing.

Terms used herein have the meanings assigned to them in the Credit Agreement.

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY

By: _____
Name: _____
Title: _____

LAS VIRGENES-TRIUNFO PUBLIC FINANCING
AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT C

FORM OF REQUEST FOR EXTENDED FUNDED PERIOD

[Date]

To: _____

Attention: _____
Telephone: _____
E-Mail: _____

With a copy to:

Attention: _____
Telephone: _____
E-Mail: _____

Ladies and Gentlemen:

The undersigned, Las Virgenes-Triunfo Joint Powers Authority (the “*Authority*”) and Las Virgenes-Triunfo Public Financing Authority (the “*Issuer*”), hereby refers to the Credit Agreement dated as of [____], 2026, as amended, modified, supplemented or restated from time to time (the “*Credit Agreement*”), among the Authority, the Issuer and Wells Fargo Municipal Capital Strategies, LLC (the “*Lender*”). All capitalized terms contained herein which are not specifically defined shall have the meanings assigned to such terms in the Credit Agreement.

The Authority and the Issuer hereby request, pursuant to Section 2.22 of the Credit Agreement, that the Term Loans be payable as provided in Section 2.22 of the Credit Agreement with interest as provided in Section 2.22 of the Credit Agreement.

In connection with such request, the Authority and the Issuer hereby representant warrant that:

(a) no Default or Event of Default shall have occurred and be continuing on the date hereof and no Default or Event of Default will have occurred and be continuing on the Facility Maturity Date,

(b) the representations and warranties of the Authority and the Issuer set forth in Article Four of the Credit Agreement are true and correct in all material respects as if made as of the date hereof and the Facility Maturity Date.

We have enclosed along with this request the following information:

1. The nature of any and all Defaults and Events of Default; and
2. Any other pertinent information previously requested by the Lender.

Very truly yours,

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY

By: _____
Name: _____
Title: _____

LAS VIRGENES-TRIUNFO PUBLIC FINANCING
AUTHORITY

By: _____
Name: _____
Title: _____

FEE AGREEMENT
DATED [____], 2026

Reference is hereby made to the Credit Agreement dated as of [____], 2026 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “*Agreement*”), among Las Virgenes-Triunfo Joint Powers Authority (the “*Authority*”), Las Virgenes-Triunfo Public Financing Authority (the “*Issuer*”), and Wells Fargo Municipal Capital Strategies, LLC (together with its successors and assigns, the “*Lender*”), relating to the **[Las Virgenes-Triunfo Public Financing Authority Series ____ Notes]**. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The purpose of this Fee Agreement (this “*Fee Agreement*”) is to confirm the agreement among the Lender, the Issuer and the Authority with respect to, among other things, the Commitment Fees (as defined below), the Applicable Spread and certain other fees payable to the Lender. This Fee Agreement is the Fee Agreement referenced in the Agreement, and the terms hereof are incorporated by reference into the Agreement. This Fee Agreement and the Agreement are to be construed as one agreement among the Authority, the Issuer and the Lender, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Agreement.

ARTICLE I. FEES AND OTHER AGREEMENTS.

Section 1.1. Commitment Fees. The Authority and the Issuer each hereby agree to pay or cause to be paid to the Lender on April 1, 2026, for the period commencing on the Closing Date and ending on March 31, 2026, and quarterly in arrears on the first Business Day of each July, October, January and April occurring prior to the Termination Date, and on the Termination Date, a non-refundable commitment fee (the “*Commitment Fee*”) in an amount equal to the product of the rate per annum based upon the applicable Level corresponding to the then applicable Rating (as defined below) for each day during the related fee period as specified in the matrix below (the “*Commitment Fee Rate*”) multiplied by the Unutilized Commitment (as defined below) from time to time in effect for each day during each related period:

LEVEL	MOODY’S RATING	S&P RATING	FITCH RATING	COMMITMENT FEE RATE
Level 1	Aa2 or above	AA or above	AA or above	0.240%
Level 2	Aa3	AA-	AA-	0.265%
Level 3	A1	A+	A+	0.315%
Level 4	A2	A	A	0.365%
Level 5	A3	A-	A-	0.415%
Level 6	Baa1	BBB+	BBB+	0.565%
Level 7	Baa2	BBB	BBB	0.815%

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	COMMITMENT FEE RATE
Level 8	Baa3 or below	BBB- or below	BBB- or below	1.165%

The term “*Unutilized Commitment*” as used herein means the Commitment, as of the Closing Date, as permanently reduced from time to time in accordance with the Agreement less the outstanding principal amount of any Loans under the Agreement. The term “*Rating*” as used herein shall mean the lowest of (i) the long-term unenhanced debt rating assigned by Moody’s, Fitch and S&P to any Payment Agreement Parity Debt and (ii) the lowest long-term credit issuer rating of the Issuer assigned by Moody’s, Fitch and S&P. In the event of a split rating (*i.e.*, the Rating of one of the Rating Agencies is different than the Rating of any of the other Rating Agencies), the Commitment Fee Rate shall be based upon the Level in which the lowest Rating appears (for the avoidance of doubt, Level 8 is the Level with the lowest Ratings, and Level 1 is the Level with the highest Ratings for purposes of the above matrix set forth in this Section 1.1). Any change in the Commitment Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings levels above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, including, without limitation, any recalibration or realignment of Rating in connection with the adoption of a “global” rating scale, the rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. In the event that a Rating is suspended or withdrawn from any Rating Agency or upon the occurrence of and during the continuance of an Event of Default, the Commitment Fee Rate shall increase to the sum of the Commitment Fee Rate specified for Level 8 above *plus* 1.00% per annum. The Commitment Fees shall be payable as set forth above, together with interest on the Commitment Fees from the date payment is due until payment in full at the Default Rate, such interest to be payable by the Authority and the Issuer on demand therefor. The Commitment Fee shall be payable in immediately available funds and computed on the basis of a year of 360 days and the actual number of days to elapse. The Authority and the Issuer acknowledge that as of the Closing Date the Commitment Fee Rate is that specified above for Level 1 of the matrix set forth in this Section 1.1.

Notwithstanding anything herein or in the Agreement to the contrary, until a Rating is in effect pursuant to Section 5.2(aa) of the Agreement, the Commitment Fee Rate shall be the rate per annum set forth in Level 1 of the matrix set forth in this Section 1.1.

Section 1.2. Amendment, Consent or Waiver Fee. The Authority and the Issuer each hereby agree to pay or cause to be paid to the Lender on the date of each amendment, supplement, or modification to the Agreement or this Fee Agreement (or any Related Document, the amendment, supplement or modification of which requires the consent of, or waiver from, the Lender), a non-refundable fee equal to \$2,500, or such other fee as may be agreed to between the Lender, the Issuer and the Authority, plus the reasonable fees and expenses of any legal counsel retained by the Lender in connection therewith.

Section 1.3. Applicable Spread. For purposes of the Agreement, the “*Applicable Spread*” means a rate per annum based upon the applicable Level corresponding to the then applicable Rating in the applicable column, as specified in the matrix below:

LEVEL	MOODY’S RATING	S&P RATING	FITCH RATING	APPLICABLE SPREAD
Level 1	Aa2 or above	AA or above	AA or above	0.340%
Level 2	Aa3	AA-	AA-	0.415%
Level 3	A1	A+	A+	0.565%
Level 4	A2	A	A	0.715%
Level 5	A3	A-	A-	0.865%
Level 6	Baa1	BBB+	BBB+	1.115%
Level 7	Baa2	BBB	BBB	1.465%
Level 8	Baa3	BBB-	BBB-	1.965%

In the event of a split rating (*i.e.*, the Rating of one of the Rating Agencies is different than the Rating of any of the other Rating Agencies), the Applicable Spread shall be based upon the Level in which the lowest Rating appears (for the avoidance of doubt, Level 8 is the Level with the lowest Ratings, and Level 1 is the Level with the highest Ratings for purposes of the above matrix set forth in this Section 1.3). Any change in the Applicable Spread resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings levels above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, including, without limitation, any recalibration or realignment of Rating in connection with the adoption of a “global” rating scale, the rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. In the event that a Rating is suspended or withdrawn from any Rating Agency or upon the occurrence of and during the continuance of an Event of Default, the Loans shall bear interest at the Default Rate. The Authority and the Issuer acknowledge that as of the Closing Date the Applicable Spread is the rate per annum that is specified above for Level 1 of the matrix set forth in this Section 1.3.

Notwithstanding anything herein or in the Agreement to the contrary, until a Rating is in effect pursuant to Section 5.2(aa) of the Agreement, the Applicable Spread shall be the rate per annum set forth in Level 1 of the matrix set forth in this Section 1.3.

Section 1.4. Termination and Reduction Fees. (a) Notwithstanding anything set forth herein or in the Agreement to the contrary, the Authority and the Issuer agree not to terminate, or cause the termination or replacement of, the Agreement and/or the Commitment prior to the one (1) year anniversary of the Closing Date, except upon the payment by the Authority and the Issuer to the Lender of a termination fee (the “*Termination Fee*”) on the date of such termination or replacement in an amount equal to the product of (1) the Commitment Fee Rate in effect on the date of such termination or replacement, (2) the Commitment (without regard to any

outstanding Loans) on the date of termination or replacement of the Agreement and/or the Commitment and (3) a fraction, the numerator of which is equal to the number of days from and including the date of such termination or replacement until and including the one (1) year anniversary of the Closing Date, and the denominator of which is 360.

(b) Notwithstanding anything set forth herein or in the Agreement to the contrary, the Authority and the Issuer agree not to permanently reduce the Commitment prior to the one (1) year anniversary of the Closing Date, without the payment by the Authority and the Issuer to the Lender of a reduction fee (the "*Reduction Fee*") in connection with each and every permanent reduction of the Commitment on the date of such permanent reduction in an amount equal to the product of (A) the Commitment Fee Rate in effect on the date of such permanent reduction, (B) the difference between the Commitment (without regard to any outstanding Loans) prior to such permanent reduction and the Commitment (without regard to any outstanding Loans) after such permanent reduction, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such permanent reduction until and including the one (1) year anniversary of the Closing Date and the denominator of which is 360.

ARTICLE II. MISCELLANEOUS.

Section 2.1. Amendments. No amendment to this Fee Agreement shall become effective without the prior written consent of the Authority, the Issuer and the Lender.

Section 2.2. Governing Law. THIS FEE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA AND APPLICABLE FEDERAL LAW. THIS FEE AGREEMENT IS SUBJECT TO SECTION 7.15 OF THE AGREEMENT.

Section 2.3. Counterparts. This Fee Agreement may be executed in multiple counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument. Delivery of an executed counterpart of a signature page of this Fee Agreement by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, will be effective as delivery of a manually executed counterpart of this Fee Agreement, and any printed or copied version of any signature page so delivered will have the same force and effect as an originally signed version of such signature page.

Section 2.4. Severability. Any provision of this Fee Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 2.5. Representation by Legal Counsel; Joint Preparation. The parties hereto have participated jointly in the negotiation and drafting of this Fee Agreement, and each of the parties was represented by its respective legal counsel during the negotiation and execution of this Fee Agreement. In the event an ambiguity or question of intent or interpretation arises, this Fee Agreement shall be construed as if drafted jointly by the parties, and no presumption or

burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Fee Agreement.

Section 2.6. No Disclosure. Unless required by law, the Authority and the Issuer shall not deliver or permit, authorize or consent to the delivery of this Fee Agreement to any Person (other than the Authority's and the Issuer's respective attorneys, accountants or auditors) or for posting on the Electronic Municipal Market Access website as provided by the Municipal Securities Rulemaking Board unless the Lender provides its prior written consent.

Section 2.7. Payment Due on Non-Business Day to Be Made on Next Business Day. If any sum becomes payable pursuant to this Fee Agreement on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first set forth above.

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

LAS VIRGENES-TRIUNFO PUBLIC FINANCING
AUTHORITY

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

WELLS FARGO MUNICIPAL CAPITAL STRATEGIES, LLC

By: _____
Name: _____
Title: _____

INSTALLMENT PURCHASE AGREEMENT

by and between

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY
formed October 12, 1964 relating to joint facilities of
Las Virgenes Municipal Water District and Triunfo Water & Sanitation District

and

LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY

Dated as of ____ 1, 2026

Relating to

\$____
LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY
[TAX-EXEMPT NOTE
(WELLS FARGO CREDIT AGREEMENT)]

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INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT, dated as of ____ 1, 2026, is entered into by and between LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY, a joint exercise of powers agency relating to joint facilities of Las Virgenes Municipal Water District and Triunfo Water & Sanitation District (the “**Operating JPA**”), and LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency that is duly organized and existing under and by virtue of the laws of the State of California (the “**Financing JPA**”).

RECITALS

A. LVMWD and TWSD (collectively, the “**Project Participants**”) are members of the Operating JPA and jointly operate certain facilities through the Operating JPA.

B. The Operating JPA is authorized by Sections 6508, 6546(g) and (v) and 6547.1 of the Government Code of the State of California and Sections 8, 10.c and 21.a. of the Operating JPA Joint Powers Agreement to acquire and construct property.

C. The Operating JPA proposes to acquire, construct and operate the Pure Water Project (the “**Project**”) in Agoura Hills, California. The Project will consist of an advanced water purification facility to treat effluent from the Operating JPA’s Tapia Water Reclamation Facility for potable reuse, as described in Exhibit A.

D. The Project shall be deemed to be part of the Joint System (as such term is defined in the Operating JPA Joint Powers Agreement) in accordance with Sections 1.d and 25 of the Operating JPA Joint Powers Agreement.

E. The Operating JPA proposes, in exchange for the agreement by the Project Participants to pay their respective Allocated Shares of Debt Service (as such terms are defined in the Payment Agreement) and Operation and Maintenance Costs, to sell the water to be produced by the Project to the Project Participants.

F. The Project Participants are members of the Financing JPA and desire to finance the acquisition and construction of the Project through the Financing JPA.

G. The Financing JPA is authorized by Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, including but not limited to Section 6540 *et seq.*, to finance and refinance the acquisition and construction of property for the Project Participants.

H. The Operating JPA has approved the execution of a Credit Agreement among the Operating JPA, the Financing JPA and Wells Fargo Municipal Capital Strategies, LLC (together with its successors and assigns, the “**Lender**”), dated as of _____, 2026 (as the same may be amended, supplemented, modified or restated in accordance with the terms thereof, the “**Credit Facility**”), pursuant to which the Lender has agreed to provide to the Operating JPA and the Financing JPA, up to \$_____ in funds to pay the costs of the Project.

I. The Financing JPA has determined that it is necessary and desirable to enter into this Agreement pursuant to which the Financing JPA is to purchase the Project in consideration for

Installment Payments equal in time and amount to payments required to be made by the Operating JPA pursuant to the Credit Facility as and when due thereunder.

J. The 2026 Installment Payments will be payable from and secured by Revenues on the terms and conditions that are set forth herein and in the Payment Agreement.

K. The Operating JPA and the Financing JPA have duly authorized the execution, delivery and performance of this Installment Purchase Agreement.

L. All acts, conditions and things that are required by law to exist, to have happened and to have been performed precedent to and in connection with the execution, delivery and performance of this Installment Purchase Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into and perform this Installment Purchase Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms that are defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document that is mentioned herein or therein have the meanings that are defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms that are defined herein. All capitalized terms that are used herein and not defined herein shall have the meanings that are ascribed thereto in the Credit Facility.

Acquisition Fund

The term “Acquisition Fund” means the fund by that name created pursuant to Section 3.03.

Administering Agent

The term “Administering Agent” has the meaning set forth in Section 2.a of the Operating JPA Joint Powers Agreement.

Contracts

The term “Contracts” means this Agreement and all other contracts of the Operating JPA that are previously or hereafter authorized and executed by the Operating JPA, the payments under which are payable from Revenues on a parity with the 2026 Installment Payments and which are secured by a pledge and lien on Revenues as described in Section 5.01 hereof.

Credit Facility

The term “Credit Facility” means that certain Credit Agreement among the Operating JPA, the Financing JPA and the Lender , dated as of _____, 2026, as amended, supplemented, restated or otherwise modified from time to time.

Event of Default

The term “Event of Default” means an event that is described in Section 8.01.

Financing JPA

The term “Financing JPA” means Las Virgenes-Triunfo Public Financing Authority, a joint exercise of powers agency that is duly organized pursuant to the Financing JPA Joint Powers Agreement and existing under and by virtue of the laws of the State of California.

Financing JPA Joint Powers Agreement

The term “Financing JPA Joint Powers Agreement” means the Joint Exercise of Powers Agreement, dated as of September 1, 2023, by and between LVMWD and TWSD, pursuant to which the Financing JPA was established.

Fiscal Year

The term “Fiscal Year” means the period from July 1 of each year through June 30 of the following year, or any other twelve-month period that is selected and designated as the official Fiscal Year of the Operating JPA.

Independent Certified Public Accountant

The term “Independent Certified Public Accountant” means any firm of certified public accountants that is appointed by the Operating JPA, and each of whom is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

Independent Financial Consultant

The term “Independent Financial Consultant” means a financial consultant or firm of such consultants that is appointed by the Operating JPA, and who, or each of whom: (1) is in fact independent and not under domination of the Operating JPA; (2) does not have any substantial interest, direct or indirect, with the Operating JPA; and (3) is not connected with the Operating JPA as an officer or employee of the Operating JPA, but who may be regularly retained to make reports to the Operating JPA.

Installment Payment Date

The term “Installment Payment Date” means any date on which Installment Payments are scheduled to be paid by the Operating JPA under and pursuant to any Contract.

Installment Payments

The term “Installment Payments” means the Installment Payments of interest and principal scheduled to be paid under and pursuant to the Contracts.

Installment Purchase Agreement

The term “Installment Purchase Agreement” means this Installment Purchase Agreement, dated as of _____ 1, 2026, by and between the Operating JPA and the Financing JPA, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

Joint System

The term “Joint System” has the meaning set forth in the Section 2.d of the Operating JPA Joint Powers Agreement.

Law

The term “Law” means the Joint Exercise of Powers Act of the State of California (being Section 6500 *et seq.* of the Government Code of the State of California, as amended) and all laws amendatory thereof or supplemental thereto.

Lender

The term “Lender” means Wells Fargo Municipal Capital Strategies, LLC, and its successors and assigns.

LVMWD

The term “LVMWD” means Las Virgenes Municipal Water District, a municipal water district that is that is duly organized and existing under the Municipal Water District Act (Section 71000 *et seq.* of the Water Code of the State of California).

Manager

The term “Manager” means the General Manager of LVMWD, performing the duties of the Administering Agent set forth in Section 6 of the Operating JPA Joint Powers Agreement on behalf of the Operating JPA.

Net Proceeds

The term “Net Proceeds” means, when used with respect to any casualty insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all expenses (including attorneys’ fees) incurred in the collection of such proceeds.

Operation and Maintenance Costs

The term “Operation and Maintenance Costs” means, collectively: (i) “variable operation and maintenance costs” and “fixed operation and maintenance costs” of the Joint System and the Project, as such terms are defined in Section 13 of the Operating JPA Joint Powers Agreement; and (ii) other

costs spent or incurred for maintenance and operation of the Project calculated in accordance with generally accepted accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Project in good repair and working order, and including administrative costs of the Operating JPA, including but not limited to salaries and wages of employees of the Administering Agent, payments to the Public Employees Retirement System (if any), overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys, consultants or engineers and insurance premiums; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature.

Operating JPA

The term “Operating JPA” means Las Virgenes-Triunfo Joint Powers Authority, a joint exercise of powers agency that is duly organized pursuant to the Operating JPA Joint Powers Agreement and existing under and by virtue of the laws of the State of California.

Operating JPA Joint Powers Agreement

The term “Operating JPA Joint Powers Agreement” means the Joint Exercise of Powers Agreement, dated January 26, 2009, as amended from time to time, by and between LVMWD and TWSD, relating to joint facilities of LVMWD and TWSD, pursuant to which the Operating JPA was established.

Payment Agreement

The term “Payment Agreement” means, collectively, the Payment Agreements, each dated as of ____ 1, 2026, by and among the Operating JPA, the Financing JPA and each Project Participant, as amended, supplemented, restated or otherwise modified from time to time.

Project

The term “Project” means the additions, betterments, extensions and improvements to the Operating JPA’s Joint System facilities, including real property and buildings, if any, which are described as such in Exhibit A, to the extent: (i) approved pursuant to the California Environmental Quality Act; and (ii) paid for with the drawings under the Credit Facility, and as modified in conformance with Section 3.02 hereof.

Project Participant

The term “Project Participant” means LVMWD or TWSD.

Purchase Price

The term “Purchase Price” means the principal amount to be paid from time to time by the Operating JPA to the Financing JPA hereunder as the purchase price of the 2024 Project, being equal to the aggregate principal amount of loans, term loans and other obligations outstanding pursuant to the Credit Facility, plus interest thereon, in each case as provided for in the Credit Facility.

Revenues

The term “Revenues” means amounts paid by the Project Participants directly to the Financing JPA under the Payment Agreement.

Tax Certificate

The term “Tax Certificate” means the Tax Certificate dated the date of Credit Facility, concerning certain matters pertaining to the use and investment of proceeds of the draws on the Credit Facility executed by and delivered to the Financing JPA, including any and all exhibits attached thereto.

2026 Installment Payment Date

The term “2026 Installment Payment Date” means the dates on which Installment Payments are required to be made, as set forth in Section 4.03.

2026 Installment Payments

The term “2026 Installment Payments” means the Installment Payments scheduled to be paid by the Operating JPA under and pursuant to this Installment Purchase Agreement.

TWSD

The term “TWSD” means Triunfo Water & Sanitation District, a county sanitation district that is duly organized and existing under the County Sanitation District Act (Health & Safety Code Section 4700 *et seq.* of the State of California).

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations by the Operating JPA. The Operating JPA makes the following representations:

(a) The Operating JPA is a joint exercise of powers agency that is duly organized and existing under and pursuant to the laws of the State of California and the Operating JPA Joint Powers Agreement.

(b) The Operating JPA has full legal right, power and authority to enter into this Installment Purchase Agreement, carry out its obligations hereunder and carry out and consummate all other transactions that are contemplated by this Installment Purchase Agreement, and the Operating JPA has complied with the provisions of the Law in all matters relating to such transactions.

(c) By proper action, the Operating JPA has duly authorized the execution, delivery and due performance of this Installment Purchase Agreement.

(d) The Operating JPA will not take or, to the extent within its power, permit any action to be taken which results in the interest that is paid for the installment purchase of the Project under

the terms of this Installment Purchase Agreement being included in the gross income of the Financing JPA or its assigns for purposes of federal or State of California personal income taxation.

(e) The Operating JPA has determined that it is necessary and proper for Operating JPA uses and purposes within the terms of the Law that the Operating JPA finance and acquire the Project in the manner that is provided for in this Installment Purchase Agreement in order to provide essential services and facilities to persons residing in the Operating JPA service territory.

(f) This Installment Purchase Agreement constitutes an “Indenture” as defined in and for purposes of the Payment Agreement.

Section 2.02. Representations and Warranties by the Financing JPA. The Financing JPA makes the following representations and warranties:

(a) The Financing JPA is a joint exercise of powers agency that is duly organized under the Financing JPA Joint Powers Agreement and in good standing under the laws of the State of California, has full legal right, power and authority to enter into this Installment Purchase Agreement and to carry out and consummate all transactions that are contemplated by this Installment Purchase Agreement and by proper action has duly authorized the execution and delivery and due performance of this Installment Purchase Agreement.

(b) The execution and delivery of this Installment Purchase Agreement and the consummation of the transactions herein contemplated will not violate any provision of law, any order of any court or other agency of government, or any indenture, material agreement or other instrument to which the Financing JPA is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Financing JPA.

(c) The Financing JPA will not take or permit any action to be taken which results in interest that is paid for the installment purchase of the Project under the terms of this Installment Purchase Agreement being included in the gross income of the Financing JPA or its assigns for purposes of federal or State of California personal income taxation.

(d) This Installment Purchase Agreement constitutes an “Indenture” as defined in and for purposes of the Payment Agreement.

ARTICLE III

ACQUISITION AND CONSTRUCTION OF PROJECT

Section 3.01. Acquisition and Construction of the Project. The Financing JPA hereby agrees to cause the Project and any additions or modifications thereto to be constructed, acquired and installed by the Operating JPA as its agent. The Operating JPA (or its Administering Agent) shall enter into contracts and provide for, as agent for the Financing JPA, the complete design, construction, acquisition and installation of the Project in accordance with all applicable laws. The Operating JPA hereby agrees that it will cause the construction, acquisition and installation of the Project to be diligently performed. It is hereby expressly understood and agreed that the Financing

JPA shall be under no liability of any kind or character whatsoever for the payment of any cost of the Project and that all such costs and expenses shall be paid by the Operating JPA.

Section 3.02. Changes to the Project. The Operating JPA may substitute other improvements for those listed as components of the Project in Exhibit A, but only if the Operating JPA first files with the Financing JPA a statement of the Operating JPA in the form attached as Exhibit B: (a) identifying the improvements to be substituted and the improvements to Operating JPA facilities they replace in the Project; (b) stating that the estimated costs of construction, acquisition and installation of the substituted improvements are not less than such costs for the improvements previously planned; and (c) stating that such substituted improvements will not reduce the Revenues payable by the Project Participants or otherwise adversely affect the payment of the Installment Payments.

Section 3.03. Acquisition Fund. There is hereby established with the Operating JPA a separate fund designated as the "Acquisition Fund." The moneys in the Acquisition Fund shall be held by the Operating JPA in trust and applied to the payment of the costs of design, planning acquisition and construction of the Project and of expenses incidental thereto. Before any payment is made from the Acquisition Fund by the Operating JPA, the Manager, acting as agent of the Financing JPA, shall cause to be filed with the Chair of the Operating JPA a certificate of the Operating JPA in the form set forth in Exhibit C.

Upon receipt of each such certificate, the Deputy Treasurer of the Operating JPA will pay the amount that is set forth in such certificate as directed by the terms thereof or disburse funds to the Operating JPA for such payment as directed by the Operating JPA in such certificate. The Deputy Treasurer of the Operating JPA need not make any such payment if it has received notice of any lien, right to lien, attachment upon or claim affecting the right to receive payment of any of the moneys to be so paid, which has not been released or will not be released simultaneously with such payment.

When the Project shall have been constructed and acquired in accordance with this Installment Purchase Agreement, a statement of the Operating JPA stating the fact and date of such acquisition, construction and acceptance and stating that all of such costs of acquisition and incidental expenses have been determined and paid (or that all of such costs and expenses have been paid less specified claims which are subject to dispute and for which a retention in the Acquisition Fund is to be maintained in the full amount of such claims until such dispute is resolved), shall be delivered to the Deputy Treasurer of the Operating JPA and the Lender by the Manager. Upon the receipt of such statement, the Deputy Treasurer of the Operating JPA shall apply any remaining balance in the Acquisition Fund which is not needed for Acquisition Fund purposes (but less the amount of any such retention, which amount shall be certified to the Deputy Treasurer of the Operating JPA by the Manager) to pay 2026 Installment Payments pro rata with respect to each Project Participant's share thereof.

Section 3.04. Purchase and Sale of the Project. In consideration for the 2026 Installment Payments, the Financing JPA agrees to sell, and hereby sells, to the Operating JPA, and the Operating JPA agrees to purchase, and hereby purchases, from the Financing JPA, the Project at the purchase price that is specified in Section 4.02 hereof and otherwise in the manner and in accordance with the provisions of the Installment Purchase Agreement.

Section 3.05. Title. All right, title and interest in each component of the Project located in Los Angeles County shall vest in LVMWD on behalf of the Operating JPA immediately upon

acquisition or construction thereof. All right, title and interest in each component of the Project located in Ventura County shall vest in TWSD on behalf of the Operating JPA immediately upon acquisition or construction thereof. Such vesting shall occur without further action by the Financing JPA, the Operating JPA, LVMWD, or TWSD, and the Financing JPA shall, if requested by the Operating JPA or if necessary to assure such automatic vesting, deliver any and all documents which are required to assure such vesting.

ARTICLE IV

INSTALLMENT PAYMENTS

Section 4.01. Term. The term of this Agreement shall commence on the Closing Date and shall end on the date on which the Operating JPA shall have paid all 2026 Installment Payments and all other amounts due and payable hereunder and under the Credit Facility.

Section 4.02. Purchase Price.

(a) The Purchase Price to be paid by the Operating JPA hereunder to the Financing JPA is the sum of the principal amount of the Operating JPA's obligations hereunder plus the interest to accrue on the unpaid balance of such principal amount from the effective date hereof over the term hereof, subject to prepayment as provided in Article VII.

(b) The principal amount of the Purchase Price to be made by the Operating JPA hereunder is equal to the aggregate amount of Loans and Term Loans (each as defined in the Credit Facility), to the Financing JPA and/or the Operating JPA and all other Obligations (as defined in the Credit Facility), in each case, outstanding from time to time pursuant to the Credit Facility.

(c) The interest to accrue on the unpaid principal amount of the Purchase Price shall be equal to the interest payable with respect to the aggregate amount of Loans and Term Loans to the Financing JPA and/or the Operating JPA and all other Obligations, in each case, outstanding from time to time pursuant to the Credit Facility as provided in the Credit Facility, and shall be paid by the Operating JPA as and constitute interest paid on the principal amount of the Operating JPA's obligations hereunder.

Section 4.03. 2026 Installment Payments. The Operating JPA shall, subject to its rights of prepayment provided in Article VII, cause the Project Participants to pay their respective shares of the Purchase Price to the Financing JPA in accordance with the Payment Agreement. The 2026 Installment Payments shall be payable on or before each date on which the Financing JPA and/or the Operating JPA is obligated to pay the principal of and interest on the Loans, Term Loans all other Obligations in accordance with the Credit Facility, and shall be equal to the amounts required to be paid by the Financing JPA and/or the Operating JPA pursuant to the Credit Facility at such times and in such amounts as specified in the Credit Facility.

The Operating JPA shall cause each 2026 Installment Payment to be paid to the Financing JPA by the Project Participants in lawful money of the United States of America. In the event that the Project Participants fail to make any of the payments which are required to be made by it under this section, such payment shall continue as an obligation of the Operating JPA until such amount shall have been fully paid, and the Operating JPA shall cause the Project Participants to agree to pay

the same with interest accruing thereon at the rate or rates of interest then applicable to the remaining unpaid principal balance of the 2026 Installment Payments if paid in accordance with their terms.

ARTICLE V

SECURITY

Section 5.01. Pledge of Revenues. (i) The Revenues and any other amounts which are held in any fund or account that is established pursuant to the Installment Purchase Agreement are irrevocably pledged to the payment of the 2026 Installment Payments. The Revenues shall not be used for any other purpose while any of the 2026 Installment Payments remain unpaid; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted herein. This pledge shall constitute a first lien on Revenues and the other funds and accounts that are created hereunder for the payment of the 2026 Installment Payments and all other Contracts in accordance with the terms hereof and of the Credit Facility. The Operating JPA shall cause the Project Participants to pay their respective shares of the 2026 Installment Payments under the Payment Agreement from Net Revenues (as such term is defined in the Payment Agreement).

(ii) The pledge in this Section is made pursuant to Section 10 of each Payment Agreement and, pursuant thereto, the Financing JPA hereby pledges to the Lender, as a Holder of Project Bonds, all of the payments received under each Payment Agreement from each Purchaser, on a parity with pledge of such payments to the payment of any other Project Bonds issued or incurred on a parity with the 2026 Installment Payments. The Financing JPA assigns to the Lender, as a Holder of Project Bonds, (a) the portions of the payments received under each Payment Agreement from each Purchaser representing each such Purchaser's Allocated Share (as such term is defined in the respective Payment Agreement) of the 2026 Installment Payments in the amounts set forth in Exhibit A of the respective Payment Agreement and (ii) the Financing JPA's other rights and interests under each Payment Agreement. The Financing JPA hereby determines that such pledge and assignment shall be made effective for such time as the Credit Facility is in effect and hereby provides that the Lender, as a Holder of Project Bonds, has the power to enforce each Payment Agreement in the event of a default by the Financing JPA hereunder.

Section 5.02. Additional Contracts. In the event that the Financing JPA issues additional Project Bonds (as such term is defined in the Payment Agreement), the Operating JPA shall simultaneously execute a related Contract that causes the Project Participants to amend the Payment Agreement to increase the amounts payable thereunder by the Project Participants from Purchaser Revenues (as such term is defined in the Payment Agreement) to a sum that is sufficient to pay 100% of additional debt service in connection with such proposed additional Contract.

Notwithstanding the foregoing, Contracts may be incurred to refund outstanding Contracts if, after giving effect to the application of the proceeds thereof, total debt service payable under the Payment Agreement will not be increased in any Fiscal Year in which Contracts (outstanding on the date of issuance or incurrence of such refunding Contracts, but excluding such refunding Contracts) not being refunded are outstanding.

ARTICLE VI

COVENANTS OF THE OPERATING JPA

Section 6.01. Compliance with Installment Purchase Agreement and Ancillary Agreements. The Operating JPA will punctually cause the 2026 Installment Payments to be paid in strict conformity with the terms hereof and of the Credit Facility and the Payment Agreement, and will faithfully observe and perform all of the agreements, conditions, covenants and terms contained herein which are required to be observed and performed by it, and will not terminate this Installment Purchase Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Joint System or the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Financing JPA to observe or perform any agreement, condition, covenant or term which is contained herein and required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected herewith, the insolvency, or deemed insolvency, bankruptcy or liquidation of the Financing JPA or any force majeure, including acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lock outs, lack of transportation facilities, fire, explosion or acts or regulations of governmental authorities.

The Operating JPA shall enforce all terms of the Payment Agreement, including pursuing remedies in the event that a Project Participant fails to undertake its payment obligations thereunder. The Operating JPA shall also maintain and operate the Joint System and the Project in accordance with Section 6.07 hereof and with the Operating JPA Joint Powers Agreement and collect all amounts from the Project Participants under the Operating JPA Joint Powers Agreement that are necessary to maintain and operate the Joint System and the Project. The foregoing obligation includes the obligation set forth in Section 6.14.

The Operating JPA will faithfully observe and perform all of the agreements, conditions, covenants and terms which are required to be observed and performed by it pursuant to all outstanding Contracts as such may from time to time be executed or issued, as the case may be.

Section 6.02. Against Encumbrances. The Operating JPA will not make any pledge of or place any lien on Revenues except as provided herein. In addition, the Operating JPA may at any time, or from time to time, issue evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of and lien on Revenues, provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein.

Section 6.03. Against Sale or Other Disposition of Property. The Operating JPA will not enter into any agreement or lease which impairs the operation of the Joint System, the Project or any part thereof necessary to secure adequate Revenues for the payment of the 2026 Installment Payments, or which would otherwise impair the rights of the Financing JPA hereunder or the operation of the Project. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Project, or any material or equipment which has become worn out, may be sold if such sale will not impair the ability of the Operating JPA to pay the 2026 Installment Payments and if the proceeds of such sale are applied to pay 2026 Installment Payments pro rata with respect to each Project Participant's share thereof.

Nothing herein shall restrict the ability of the Operating JPA to sell any portion of the Project if such portion is immediately repurchased by the Operating JPA and if such arrangement cannot by its terms result in the purchaser of such portion of the Project exercising any remedy which would deprive the Operating JPA of or otherwise interfere with its right to own and operate such portion of the Project.

Section 6.04. Covenant to Maintain Tax-Exempt Status. Notwithstanding any other provision of this Installment Purchase Agreement, absent an opinion of Note Counsel that the exclusion from gross income of the interest component of the 2026 Installment Payments will not be adversely affected for federal income tax purposes, the Operating JPA covenants to comply with all applicable requirements of the Internal Revenue Code which are necessary to preserve such exclusion from gross income with respect to the 2026 Installment Payments and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) **Private Activity.** The Operating JPA will take no action or refrain from taking any action, and the Operating JPA will make no use of the proceeds of the draws on the Credit Facility or of any other moneys or property, which would cause the 2026 Installment Payments to be “private activity bonds” within the meaning of Section 141 of the Code;

(b) **Arbitrage.** The Operating JPA will make no use of the proceeds of the draws on the Credit Facility or of any other amounts or property, regardless of the source, and the Operating JPA will not take any action or refrain from taking any action, which will cause the 2026 Installment Payments to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(c) **Federal Guarantee.** The Operating JPA will make no use of the proceeds of the draws on the Credit Facility, and the Operating JPA will not take or omit to take any action, that would cause the 2026 Installment Payments to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(d) **Information Reporting.** The Operating JPA will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code which is necessary to preserve the exclusion of interest on the interest component of the 2026 Installment Payments pursuant to Section 103(a) of the Code;

(e) **Hedge Bonds.** The Operating JPA will make no use of the proceeds of the draws on the Credit Facility or any other amounts or property, regardless of the source, and the Operating JPA will not take any action or refrain from taking any action, that would cause the 2026 Installment Payments to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the Operating JPA takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of the interest component of the 2026 Installment Payments for federal income tax purposes; and

(f) **Miscellaneous.** The Operating JPA will not take any action or refrain from taking any action which is inconsistent with its expectations stated in the Tax Certificate executed by the Operating JPA in connection with the execution and delivery of the Credit Facility and will comply with the covenants and requirements that are stated therein and incorporated by reference herein.

Section 6.05. [Reserved].

Section 6.06. Prompt Acquisition and Construction. The Operating JPA will take all necessary and appropriate steps to acquire and construct the Project, as agent of the Financing JPA, with all practicable dispatch and in an expeditious manner and in conformity with law so as to complete the same as soon as possible.

Section 6.07. Maintenance and Operation of the Project. The Operating JPA will maintain and preserve the Joint System (including the Project) in good repair and working order at all times and will operate the Joint System (including the Project) in an efficient and economical manner and will pay, or cause the Project Participants to pay, all Operation and Maintenance Costs thereof as they become due and payable in accordance with the Operating JPA Joint Powers Agreement.

Section 6.08. Payment of Claims. The Operating JPA will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Revenues or the funds or accounts created hereunder or on any funds in the hands of the Operating JPA pledged to pay the 2026 Installment Payments, or which might impair the security of the 2026 Installment Payments.

Section 6.09. Compliance with Contracts. The Operating JPA will neither take nor omit to take any action under any contract if the effect of such act or failure to act would in any manner impair or adversely affect the ability of the Operating JPA to pay Installment Payments, or to cause the Project Participants to pay amounts due under the Payment Agreement; and the Operating JPA will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in all contracts affecting or involving the Project or the Joint System, to the extent that the Operating JPA is a party thereto.

Section 6.10. Insurance.

(a) The Operating JPA will procure and maintain or cause to be procured and maintained insurance on the Project with responsible insurers in such amounts and against such risks (including damage to or destruction of the Joint System or the Project) as are usually covered in connection with water and wastewater systems similar to the Joint System or the Project, as applicable, so long as such insurance is available from reputable insurance companies.

In the event of any damage to or destruction of the Project or the Joint System caused by the perils covered by such insurance, the Net Proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Project or the Joint System, respectively. The Operating JPA shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such Net Proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Project and the Joint System shall be free and clear of all claims and liens.

If such Net Proceeds exceed the costs of such reconstruction, repair or replacement portion of the Project, respectively, and/or the cost of the construction of additions, betterments, extensions or improvements to the Project, respectively, then the excess Net Proceeds shall be applied to prepay, ratably without any discrimination or preference, the 2026 Installment Payments and any other Installment Payments in accordance with the provisions of other Contracts.

(b) The Operating JPA will procure and maintain such other insurance as it shall deem advisable or necessary to protect its interests and the interests of the Financing JPA, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with water and wastewater systems similar to the Project and the Joint System, as applicable.

(c) Any insurance that is required to be maintained by paragraph (a) above and, if the Operating JPA determines to procure and maintain insurance pursuant to paragraph (b) above, such insurance, may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner usually maintained in connection with water and wastewater systems similar to the Project and the Joint System, as applicable, and is, in the opinion of an accredited actuary, actuarially sound.

All policies of insurance which are required to be maintained herein shall provide that the Financing JPA shall be given thirty (30) days written notice of any intended cancellation thereof or reduction of coverage provided thereby.

Section 6.11. Accounting Records; Financial Statements and Other Reports. The Operating JPA will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Operating JPA, which records shall be available for inspection by the Financing JPA at reasonable hours and under reasonable conditions.

Section 6.12. Protection of Security and Rights of the Financing JPA. The Operating JPA will preserve and protect the security hereof and the rights of the Financing JPA and the Lender to the 2026 Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 6.13. Payment of Taxes and Compliance with Governmental Regulations. The Operating JPA will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Joint System, the Project, or any part thereof or upon the Revenues when the same shall become due. The Operating JPA will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Joint System, the Project, or any part thereof, but the Operating JPA shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

Section 6.14. Covenant to Budget.

(a) To the fullest extent permitted by law, the Operating JPA shall, at the commencement of each Fiscal Year, adopt a budget for the Joint System and the Project under the Operating JPA Joint Powers Agreement pursuant to which the Project Participants agree: (i) to pay Operation and Maintenance Costs; and (ii) to pay all amounts due under the Credit Facility and the Payment Agreement.

(b) The Operating JPA may make adjustments from time to time in such budget and may make such classifications thereof as it deems necessary, but shall not reduce budgeted amounts payable by the Project Participants unless the revenues from such reduced amounts (including Revenues payable under the Payment Agreement) will at all times be sufficient to meet the requirements of this Section.

(c) If amounts to be collected by the Operating JPA under a budget are determined after the commencement of a Fiscal Year to be insufficient to pay all Operation and Maintenance Costs and amounts due under the Credit Facility and the Payment Agreement as contemplated herein, the Operating JPA shall notify the Project Participants of such insufficiency and amend the budget for such Fiscal Year such that each Project Participant pays its allocable share of such insufficiency.

Section 6.15. Collection of Rates and Charges. The Operating JPA will have in effect at all times by-laws, rules and regulations requiring each Project Participant to pay their allocable share of Operation and Maintenance Costs, including to satisfy the requirements set forth in Section 6 of the relevant Payment Agreement.

Section 6.16. Eminent Domain Proceeds. If all or any part of the Project shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(a) If: (1) the Operating JPA files with the Financing JPA and the Lender a certificate showing: (i) the estimated loss of annual revenues, if any, suffered or to be suffered by the Operating JPA by reason of such eminent domain proceedings; (ii) a general description of the additions, betterments, extensions or improvements to the Project that are proposed to be acquired and constructed by the Operating JPA from such Net Proceeds; and (iii) an estimate of the additional annual revenues to be derived from such additions, betterments, extensions or improvements; and (2) the Operating JPA, on the basis of such certificate, determines that the estimated additional annual revenues will sufficiently offset the estimated loss of annual revenues resulting from such eminent domain proceedings so that the ability of the Operating JPA to meet its obligations hereunder from Revenues will not be substantially impaired (which determination shall be final and conclusive), then the Operating JPA shall promptly proceed with the acquisition and construction of such additions, betterments, extensions or improvements substantially in accordance with such certificate and such Net Proceeds shall be applied for the payment of the costs of such acquisition and construction, and any balance of such Net Proceeds not required by the Operating JPA for such purpose shall be applied to pay 2026 Installment Payments pro rata with respect to each Project Participant's share thereof.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied by the Operating JPA to prepay, ratably without any discrimination or preference, the 2026 Installment Payments and any other debt service in accordance with the provisions of any Contracts.

Section 6.17. Further Assurances. The Operating JPA will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Financing JPA and the Lender of the rights and benefits provided to them herein.

Section 6.18. Enforcement of Contracts. So long as any Obligations are outstanding, and subject to Section 10.14 hereof, the Operating JPA will not voluntarily consent to or permit any rescission of, nor will it consent to any amendment to or otherwise take any action under or in connection with any contracts previously or hereafter entered into unless the Board of Directors of the Operating JPA determines by resolution that such rescission or amendment would not materially adversely affect the ability of the Operating JPA to pay the 2026 Installment Payments.

ARTICLE VII

PREPAYMENT OF 2026 INSTALLMENT PAYMENTS

Section 7.01. Prepayment.

(a) (i) The 2026 Installment Payments shall be prepaid in whole or in part on any date on which the Financing JPA and/or the Operating JPA is required to prepay amounts payable under the Credit Facility. (ii) The Operating JPA may prepay the 2026 Installment Payments as a whole, or in part, on any date in the order of payment date as directed by the Operating JPA, from moneys prepaid by one or more Project Participants under Section 5 of the Payment Agreement, and on the terms and conditions at which the Financing JPA and/or the Operating JPA is permitted to prepay amounts owed pursuant to the Credit Facility.

(b) Notwithstanding any such prepayment, the Operating JPA shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price shall have been fully paid and the Credit Facility has been terminated and all amounts payable thereunder shall have been fully paid.

Section 7.02. Method of Prepayment. Before making any prepayment pursuant to Section 7.01, the Operating JPA shall, within five (5) days following the event permitting the exercise of such right to prepay or creating such obligation to prepay, give written notice to the Financing JPA and the Lender describing such event and specifying the date on which the prepayment will be paid, which date shall be not less than ten (10) Business Days from the date that such notice is given.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE FINANCING JPA

Section 8.01. Events of Default. The following constitute Events of Default:

(a) if default shall be made by the Operating JPA in the due and punctual payment of any 2026 Installment Payment or any Contract when and as the same shall become due and payable;

(b) if default shall be made by the Operating JPA in the performance of any of the agreements or covenants which are required herein to be performed by it, and such default shall have continued for a period of sixty (60) days after the Operating JPA shall have been given notice in writing of such default by the Financing JPA;

(c) if the Operating JPA shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Operating JPA seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Operating JPA or of the whole or any substantial part of its property;

(d) if an “Event of Default” (as defined in the Credit Facility) under the Credit Facility occurs; or

(e) if payment of the principal of any Contract is accelerated in accordance with its terms;

then and in each and every such case during the continuance of an Event of Default, the Financing JPA shall immediately notify the Lender of an Event of Default and follow any written directions of the Lender, which may include a direction to declare the entire principal amount of the unpaid 2026 Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding; provided that the unpaid Purchase Price shall automatically become due and payable without the action of the Financing JPA or any other person if the unpaid Obligations shall have become immediately due and payable. Notwithstanding anything to the contrary set forth herein, the Financing JPA shall not have the right to (i) declare the unpaid Purchase Price immediately due and payable or (ii) exercise any other rights or remedies hereunder following the occurrence of an Event of Default, in each case, without the prior written direction of the Lender.

Section 8.02. Application of Funds Upon Acceleration. Upon the date of the declaration of (or automatic, as applicable) acceleration as provided in Section 8.01, all Revenues thereafter received by the Financing JPA shall be applied in the following order:

First, to the payment, without preference or priority, and in the event of any insufficiency of such Revenues ratably without any discrimination or preference, of the fees, costs and expenses of the Financing JPA, the WIFIA Lender, any agents and assignees of each of the foregoing as the case may be or the trustee with respect to any Project Bonds or Contracts, in carrying out the provisions of this Article VIII, including reasonable compensation to their respective accounts and counsel; and

Second, to the payment, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, of the entire principal amount of the unpaid 2026 Installment Payments and the unpaid principal amount of all Project Bonds and Contracts and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the 2026 Installment Payments and such Project Bonds and Contracts if paid in accordance with their respective terms.

Section 8.03. Remedies of the Financing JPA. Upon the occurrence and during the continuance of an Event of Default, the Financing JPA shall have the right (but only following the prior written direction of the Lender):

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Operating JPA or any director, officer or employee thereof, and to compel the Operating JPA or any such director, officer or employee to perform and carry out its or his or her duties under the Law and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Financing JPA; or

(c) by suit in equity upon the happening of an Event of Default to require the Operating JPA and its directors, officers and employees to account as the trustee of an express trust

Notwithstanding anything contained herein, the Financing JPA shall not have a security interest in or mortgage on the Project, the Joint System or other assets of the Operating JPA, and no default hereunder shall result in the loss of the Project, the Joint System or other assets of the Operating JPA.

Section 8.04. [Reserved].

Section 8.05. Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the Operating JPA, which is absolute and unconditional, to pay the 2026 Installment Payments to the Financing JPA at the respective due dates or upon prepayment from the Revenues and the other funds herein pledged for such payment, or shall affect or impair the right of the Financing JPA and the Lender, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Financing JPA or the Lender shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Financing JPA, the Operating JPA or the Lender to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy that is conferred upon the Financing JPA, the Operating JPA or the Lender by the Law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Financing JPA or the Lender.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Financing JPA or the Lender, the Operating JPA, the Financing JPA and the Lender shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 8.06. Remedies Not Exclusive. No remedy that is conferred upon or reserved to the Financing JPA or the Lender herein is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

ARTICLE IX

DISCHARGE OF OBLIGATIONS

Section 9.01. Discharge of Obligations. When:

(a) all or any portion of the 2026 Installment Payments shall have become due and payable in accordance herewith or a written notice of the Operating JPA to prepay all or any portion of the 2026 Installment Payments shall have been filed with the Financing JPA; and

(b) there shall have been irrevocably deposited with the Financing JPA at or prior to the 2026 Installment Payment Date or dates specified for prepayment, in trust for the benefit of the Financing JPA or its assigns and irrevocably appropriated and set aside to the payment of all or any portion of the 2026 Installment Payments, sufficient moneys and direct, noncallable general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), or noncallable obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by the United States of America, the principal of and interest on which when due will provide money that is sufficient in the opinion of an Independent Certified Public Accountant to pay all principal, prepayment premium, if any, and interest of such 2026 Installment Payments to their respective 2026 Installment Payment Dates and to cause the Obligations to no longer be outstanding under the Credit Facility, as the case may be;

(c) irrevocable provision shall have been made for paying all fees and expenses of the Financing JPA, if any; and

(d) then and in that event, the right, title and interest of the Financing JPA herein and the obligations of the Operating JPA hereunder shall, with respect to all or such portion of the 2026 Installment Payments as have been so provided for, thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Financing JPA and the obligation of the Operating JPA to have such moneys and such securities applied to the payment of such 2026 Installment Payments).

In such event, upon request of the Operating JPA, the Financing JPA shall execute and deliver to the Operating JPA all such instruments as may be necessary or desirable to evidence such total or partial discharge and satisfaction, as the case may be, and, in the event of a total discharge and satisfaction, the Financing JPA shall pay over to the Operating JPA, after payment of all amounts due pursuant to the Credit Facility, as an overpayment of 2026 Installment Payments, all such moneys or such securities held by it pursuant hereto, other than such moneys and such securities as are required for the payment or prepayment of the 2026 Installment Payments, which moneys and securities shall continue to be held by the Financing JPA in trust for the payment of the 2026 Installment Payments and shall be applied by the Financing JPA to the payment of the 2026 Installment Payments of the Operating JPA.

ARTICLE X

MISCELLANEOUS

Section 10.01. Liability Limited. Notwithstanding anything contained herein, the Operating JPA shall not be required to advance any moneys derived from any source of income other than the Revenues and the other funds provided herein for the payment of amounts due hereunder or for the performance of any agreements or covenants that are required to be performed by it contained herein. The Operating JPA may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the Operating JPA for such purpose.

The obligation of the Operating JPA to make the 2026 Installment Payments is a special obligation of the Operating JPA payable from the Revenues and does not constitute a general

obligation debt of the Operating JPA or a debt of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

Section 10.02. Benefits of Installment Purchase Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the Operating JPA, the Financing JPA or the Lender any right, remedy or claim under or pursuant hereto. Each of the Financing JPA and the Operating JPA agrees that the Lender shall be an express third party beneficiary of the Installment Purchase Agreement, and any agreement or covenant that is required herein to be performed by or on behalf of the Operating JPA, the Financing JPA or Lender shall be for the sole and exclusive benefit of the other parties. The Lender, as a Holder of Project Bonds, shall have the right, as a third party beneficiary, to initiate and maintain suit to enforce the Payment Agreement.

Section 10.03. Successor Is Deemed Included in all References to Predecessor. Whenever the Operating JPA, the Financing JPA or the Lender is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Operating JPA, the Financing JPA or the Lender, and all agreements and covenants which are required hereby to be performed by or on behalf of the Operating JPA, the Financing JPA or the Lender shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 10.04. Waiver of Personal Liability. No director, officer or employee of the Operating JPA shall be individually or personally liable for the payment of the 2026 Installment Payments, but nothing contained herein shall relieve any director, officer or employee of the Operating JPA from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 10.05. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith” and other words of similar import refer to the Installment Purchase Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 10.06. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Operating JPA or the Financing JPA shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The Operating JPA and the Financing JPA hereby declare that they would have executed the Installment Purchase Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 10.07. [Reserved].

Section 10.08. Net Contract. The Installment Purchase Agreement shall be deemed and construed to be a net contract, and the Operating JPA shall pay absolutely net during the term hereof the 2026 Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

Section 10.09. California Law. THE INSTALLMENT PURCHASE AGREEMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 10.10. Notices. All written notices to be given hereunder shall be given by mail, facsimile or other electronic transmission or overnight mail or courier to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the Operating JPA: Las Virgenes-Triunfo Joint Powers Authority
c/o Las Virgenes Municipal Water District
4232 Las Virgenes Road
Calabasas, California 91302-1994
Attn: Administering Agent

If to the Financing JPA: Las Virgenes-Triunfo Public Financing Authority
c/o Las Virgenes Municipal Water District
4232 Las Virgenes Road
Calabasas, California 91302-1994
Attention: General Manager

If to the Lender: Wells Fargo Municipal Capital Strategies, LLC

Attention:
Telephone:
Email:

Section 10.11. Effective Date. This Installment Purchase Agreement shall become effective upon its execution and delivery by each of the parties hereto, and shall terminate when the Purchase Price shall have been fully paid and the Credit Facility shall have terminated in accordance with its terms.

Section 10.12. Execution in Counterparts. This Installment Purchase Agreement may be executed in several counterparts by each of the parties hereto, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 10.13. Indemnification. The Operating JPA hereby agrees to indemnify and hold harmless the Financing JPA and its assigns and its officers and directors if and to the extent permitted by law, from and against all claims, advances, damages and losses, including legal fees and expenses, arising out of or in connection with the acceptance or the performance of its duties hereunder and under the Credit Facility; provided that no indemnification will be made for willful misconduct, negligence or breach of an obligation hereunder or under the Credit Facility by the Financing JPA.

Section 10.14. Amendments Permitted.

(a) This Installment Purchase Agreement and the rights and obligations of the Financing JPA and the Operating JPA and of the Lender may be modified or amended at any time by an amendment hereto which shall become binding upon the written consent of the Lender. No such modification or amendment may: (1) extend the fixed maturity of any 2026 Installment Payments, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the rate of interest or the method of computing the rate of interest thereon, or extend the time of payment of interest thereon; or (2) reduce the aforesaid percentage of 2026 Installment Payments, or permit the creation of any lien on the Revenues and other assets pledged under the Installment Purchase Agreement prior to or on a parity with the lien created by the Installment Purchase Agreement except as permitted herein.

(b) This Installment Purchase Agreement and the rights and obligations of the Financing JPA and the Operating JPA may also be modified or amended at any time by an amendment hereto which shall become binding upon adoption, but only to the extent permitted by law and only for any one or more of the following purposes: (1) to add to the covenants and agreements of the Operating JPA contained in the Installment Purchase Agreement other covenants and agreements thereafter to be observed, to pledge or assign additional security for the 2026 Installment Payments (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Operating JPA; (2) 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 Installment Purchase Agreement, or in regard to matters or questions arising under the Installment Purchase Agreement, as the Operating JPA may deem necessary or desirable; and (3) to modify, amend or supplement the Installment Purchase Agreement in such manner as to cause interest on the 2026 Installment Payments to remain excludable from gross income under the Code, if so excludable upon the issuance thereof. No amendment may modify any of the rights or obligations of the Lender without its written consent thereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have executed and attested this Installment Purchase Agreement by their officers thereunto duly authorized as of the day and year first written above.

LAS VIRGENES-TRIUNFO JOINT POWERS
AUTHORITY

formed October 12, 1964 relating to joint facilities of
Las Virgenes Municipal Water District and Triunfo
Water & Sanitation District

By: _____
Chair of the Board

ATTEST:

Secretary of the Board

LAS VIRGENES-TRIUNFO PUBLIC FINANCING
AUTHORITY

By: _____
Chair of the Board

ATTEST:

Secretary of the Board

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Pure Water Project Las Virgenes – Triunfo is located in Los Angeles County, California and consists of design and construction of:

<i>Component</i>	<i>Estimated Capital Cost</i>
a. Upgrades to the existing Tapia Water Reclamation Facility	
b. New Advanced Water Purification Facility	
c. Four (4) additional pipelines: new Source Water, Purified Water, Discharge and Concentrate Pipelines	
d. Upgrades to the Recycled Water Pump Station West	
e. Improvements to the Las Virgenes Reservoir	
TOTAL	

EXHIBIT B

FORM OF SUBSTITUTION STATEMENT

Las Virgenes-Triunfo Public Financing Authority
c/o Las Virgenes Municipal Water District
4232 Las Virgenes Road
Calabasas, California 91302-1994
Attention: Deputy Treasurer

Wells Fargo Municipal Capital Strategies, LLC

The undersigned General Manager of the Las Virgenes Municipal Water District, on behalf of Las Virgenes-Triunfo Joint Powers Authority, a joint exercise of powers agency formed October 12, 1964 relating to joint facilities of Las Virgenes Municipal Water District and Triunfo Water & Sanitation District (the “Operating JPA”), hereby states pursuant to Section 3.02 of the Installment Purchase Agreement, dated as of _____ 1, 2026, by and between the Operating JPA and Las Virgenes-Triunfo Public Financing Authority (the “Installment Purchase Agreement”) that each component of the Project (as such term is defined in the Installment Purchase Agreement) described in the first column of Exhibit A attached hereto, with an estimated cost set forth in the second column of Exhibit A, will be replaced by the corresponding improvement described in the third column of Exhibit A with an estimated cost set forth in the fourth column of Exhibit A.

Dated: _____, 20__

LAS VIRGENES-TRIUNFO JOINT POWERS
AUTHORITY
formed October 12, 1964 relating to joint facilities of
Las Virgenes Municipal Water District and Triunfo
Water & Sanitation District

General Manager of
Las Virgenes Municipal Water District

EXHIBIT A

<i>Components of Project to be Replaced</i>	<i>Cost of Each Components of Project to be Replaced</i>	<i>Improvements to be Substituted</i>	<i>Cost of Each Improvement to be Substituted</i>

EXHIBIT C

FORM OF REQUISITION FROM ACQUISITION FUND

REQUISITION NO. _ FOR DISBURSEMENT FROM ACQUISITION FUND

The undersigned hereby states and certifies:

(i) that the undersigned is the duly appointed, qualified and acting General Manager of Las Virgenes Municipal Water District, and is acting hereunder on behalf of Las Virgenes-Triunfo Joint Powers Authority, a joint exercise of powers agency formed October 12, 1964 relating to joint facilities of Las Virgenes Municipal Water District and Triunfo Water & Sanitation District (the "Operating JPA"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that, pursuant to Section 3.03 of that certain Installment Purchase Agreement, dated as of ____ 1, 2023 (the "Installment Purchase Agreement"), by and between the Las Virgenes-Triunfo Public Financing Authority and the Operating JPA, the undersigned hereby requests the Deputy Treasurer of the Operating JPA to disburse this date the following amounts from the Acquisition Fund relating to the above-captioned obligations, to the payees designated on the attached Exhibit A;

(iii) that each obligation mentioned herein has been incurred by the Operating JPA and is a proper charge against the Acquisition Fund;

(iv) that any approval required under the California Environmental Quality Act, as amended (Division 13 of the California Public Resources Code), prior to the expenditure of such amount for the purpose set forth on the attached Exhibit A has been received and is final; and

(v) that there has not been filed with or served upon the Operating JPA notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the payees named on the attached Exhibit A, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

Dated: _____, 20__

LAS VIRGENES-TRIUNFO JOINT POWERS
AUTHORITY
formed October 12, 1964 relating to joint facilities of
Las Virgenes Municipal Water District and Triunfo
Water & Sanitation District

By: _____
General Manager of Las Virgenes Municipal
Water District

EXHIBIT A
ACQUISITION FUND DISBURSEMENTS

<i>Item Number</i>	<i>Payee Name and Address</i>	<i>Purpose of Obligation</i>	<i>Amount</i>

DATE: April 6, 2026
TO: JPA Board of Directors
FROM: Finance and Technology

SUBJECT: Pure Water Project Las Virgenes-Triunfo: Authorization of Credit Agreement, Installment Purchase Agreement and Fee Agreement

This item is before the Las Virgenes-Triunfo Public Financing Authority Board for action.

SUMMARY:

The Las Virgenes Municipal Water District (LVMWD) and Triunfo Water and Sanitation District (TWSD) are participating in the Pure Water Project Las Virgenes Triunfo (Project) through the Las Virgenes-Triunfo Joint Powers Authority (Operating JPA). In connection with the financing of the Project, Las Virgenes Municipal Water District (LVMWD) and Triunfo Water and Sanitation District (TWSD) created the Las Virgenes-Triunfo Public Financing Authority (Financing JPA).

On December 8, 2025, the Operating JPA and Financing JPA Boards authorized the Administering Agent/General Manager to enter into a \$150-million non-revolving line of credit with Wells Fargo Bank for interim financing of the Pure Water Project Las Virgenes-Triunfo. The financing option was selected to provide flexible, cost-effective bridge funding for project construction prior to the anticipated drawdown of a long-term Water Infrastructure Finance and Innovation Act (WIFIA) loan, State of California Clean Water State Revolving Fund (SRF) loan and the potential issuance of bonds for the Project. The rationale for choosing a non-revolving line of credit (LOC) centers on its ability to deliver timely access to capital for construction expenditures, while preserving the JPA's flexibility to optimize the timing of permanent financing and potentially benefit from future interest rate reductions.

Staff recommends that the Board pass, approve and adopt proposed Resolution No. 7, authorizing the execution and delivery of a Credit Agreement with a principal component in an amount not to exceed \$155,000,000; authorizing the execution and delivery of the Credit Agreement, Note, Fee Agreement and Installment Purchase Agreement; and ratifying the prior approval of the Payment Agreements and authorizing their execution. The slightly larger maximum principal amount (\$155 million as compared to the prior authorization of \$150 million) is proposed to be inclusive of fees, charges and capitalized interest. The target closing date for the loan is May 29, 2025.

RECOMMENDATION(S):

Pass, approve and adopt proposed Resolution No. 7, authorizing the execution and delivery of

a Credit Agreement with a principal component in an amount not to exceed \$155,000,000; authorizing the execution and delivery of the Credit Agreement, Note, Fee Agreement and Installment Purchase Agreement; and ratifying the prior approval of the Payment Agreements and authorizing their execution.

RESOLUTION NO. 7

A RESOLUTION OF LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A CREDIT AGREEMENT, NOTE, INSTALLMENT PURCHASE AGREEMENT AND FEE AGREEMENT, AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH

(Reference is hereby made to Resolution No. 7 on file in the Authority's Resolution Book, and by this reference the same is incorporated herein.)

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

By approving the transaction, the Financing JPA will be authorized to enter into the Credit Agreement, the Note and the related Installment Purchase Agreement with a principal component in an amount not to exceed \$155,000,000. The Financing JPA will also be authorized to execute the related Fee Agreement.

Amounts drawn under the Credit Agreement will bear interest at a variable rate that will be determined pursuant to the terms of the Credit Agreement. The Credit Agreement is expected to terminate in 2029. On or before this time, it is expected that the outstanding amount under the Credit Agreement will be repaid with the proceeds of a long-term financing instrument.

DISCUSSION:

LVMWD and TWSD, in consultation with Financing JPA's municipal advisor, PFM Financial Advisors (PFM), determined that it would be in the best interests of LVMWD and TWSD to obtain interim financing for the Project.

Following a solicitation of potential lenders, LVMWD and TWSD, in consultation with PFM, determined that the most favorable proposal to provide interim financing was submitted by Wells Fargo Municipal Capital Strategies, LLC (Bank).

To provide interim financing for the Project, the Operating JPA and the Financing JPA would enter into a Credit Agreement with the Bank, pursuant to which the Financing JPA and the Operating JPA can draw an aggregate amount up to \$155,000,000. The Credit Agreement permits multiple draws, allowing for draws to be made only when needed and resulting in a "draw fee" only being payable on amounts actually outstanding (the Financing JPA will owe a lower commitment fee on amounts that are not drawn). The draws under the Credit

Agreement are evidenced by a note to be executed and delivered by the Financing JPA.

Amounts drawn under the Credit Agreement will bear interest at a variable rate. Concurrently with the execution and delivery of the Credit Agreement, the Operating JPA and the Financing JPA will enter into a Fee Agreement with the Bank that sets forth certain fees payable to the Bank.

The amounts owed by the Financing JPA and the Operating JPA under the Credit Agreement and Fee Agreement will be payable from installments payments (Installment Payments) payable by the Operating JPA to the Financing JPA pursuant to an Installment Purchase Agreement by and between the Financing JPA and the Operating JPA. The Installment Payments will be paid from amounts paid directly to the Financing JPA by LVMWD and TWSD under separate Payment Agreements among the applicable district, the Financing JPA and the Operating JPA.

The Operating JPA previously authorized the execution and delivery of each Payment Agreement. Pursuant to the Payment Agreements, the applicable district will be obligated to pay a share of the debt service and fees payable under the Credit Agreement and Fee Agreement. The share of debt service allocable to LVMWD is 70.60%, and the share of debt service allocable to TWSD is 29.40%.

In connection with the interim financing, the Financing JPA will enter into the following agreements:

Credit Agreement:

The Credit Agreement is an agreement among the Financing JPA, Operating JPA and Bank setting forth the terms of the interim financing and certain covenants and obligations of the parties. The Credit Agreement includes certain financial covenants, including an additional debt test and rate covenants for the districts and the Operating JPA.

Note:

The Note evidences the payment obligations of the Financing JPA under the Credit Agreement.

Fee Agreement:

The Fee Agreement sets forth fees payable to the Bank in connection with the providing the available credit facility under the Credit Agreement.

Installment Purchase Agreement:

The Installment Purchase Agreement is an agreement between the Financing JPA and the Operating JPA pursuant to which the Operating JPA agrees to make installment payments to the Financing JPA. The installment payments will be payable solely from Operating JPA revenues, which consist primarily of amounts paid by the districts directly to the Financing JPA pursuant to the terms of the Payment Agreements with the districts. The installment payments will be applied by the Financing JPA to the payment of amounts payable under the Credit Agreement and the Fee Agreement. The Installment Purchase Agreement also provides

certain covenants of the parties, including the Operating JPA's rate covenant.

Key Considerations:

The proposed non-revolving LOC would provide up to \$155 million in tax-exempt advances for project costs with a commitment period of up to three years from closing. Advances must be at least \$1 million each with no more than two advances permitted in any 30-day period and three business days' notice required. The interest rate on advances would be based on a daily simple Secured Overnight Financing Rate (SOFR) index, multiplied by an 80% factor, plus a spread of 34 basis points for a three-year term. All outstanding principal would be due on or before maturity. The non-revolving LOC also contains a "commitment fee" of 24 basis points, which would be incurred on the amounts not drawn under the LOC. Once amounts are drawn under the LOC, interest would be incurred based on the 80% of SOFR, plus 34 basis points as described above. As of March 20, 2026, this rate would be 3.24%.

GOALS:

Ensure Effective Utilization of the Public's Assets and Money

Prepared by: Brian Richie, Director of Finance and Technology

ATTACHMENTS:

[Proposed Resolution No. 7](#)

[Form of Credit Agreement \(including the Form of Note\)](#)

[Form of Fee Agreement](#)

[Form of Installment Purchase Agreement](#)

RESOLUTION NO. 7

A RESOLUTION OF LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A CREDIT AGREEMENT, NOTE, INSTALLMENT PURCHASE AGREEMENT AND FEE AGREEMENT, AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH

WHEREAS, the Las Virgenes Municipal Water District, a municipal water district that is duly organized and existing under the Municipal Water District Act (Water Code Section 71000 et seq. of the State of California) (the “LVMWD”), and Triunfo Water & Sanitation District, a county sanitation district that is duly organized and existing under the County Sanitation District Act (Health & Safety Code Section 4700 et seq. of the State of California) (“TWSD” and, together with LVMWD, the “Project Participants”), are members of the Las Virgenes-Triunfo Joint Powers Authority, a joint exercise of powers agency relating to joint facilities of Las Virgenes Municipal Water District and Triunfo Water & Sanitation District (the “Operating JPA”), and jointly operate certain facilities through the Operating JPA; and

WHEREAS, the Project Participants and the Operating JPA desire to finance the design and construction of the Pure Water Project, which will be owned and operated by the Operating JPA and will consist of an advanced water purification facility to treat effluent from the Operating JPA’s Tapia Water Reclamation Facility for potable use (the “Project”); and

WHEREAS, the Las Virgenes-Triunfo Public Financing Authority, a joint exercise of powers agency that is duly organized and existing under and by virtue of the laws of the State of California (the “Financing JPA”), has been requested to assist the Project Participants and the Operating JPA in connection with the acquisition of the Project; and

WHEREAS, the Operating JPA proposes to enter into an installment purchase agreement (the “Installment Purchase Agreement”) with the Financing JPA to provide for the acquisition of the Project; and

WHEREAS, in order to fulfill its obligation to the Operating JPA under the Installment Purchase Agreement, the Financing JPA proposes to enter into a Credit Agreement (the “Credit Agreement”) with Wells Fargo Municipal Capital Strategies, LLC (the “Lender”) and the Operating JPA; and

WHEREAS, there has been prepared and submitted to this meeting a form of a fee agreement (the “Fee Agreement”) among the Operating JPA, the Financing JPA and the Lender, relating to the Credit Agreement; and

WHEREAS, amounts owed under the Credit Agreement and Fee Agreement will be payable from installment payments (the “Credit Agreement Installment Payments”) payable by the Operating JPA to the Financing JPA pursuant to the Installment Purchase Agreement; and

WHEREAS, the Financing JPA's obligation to repay the obligations under the Credit Agreement and the Fee Agreement will be evidenced by the execution and delivery by the Financing JPA to the Lender of a promissory note (the "Note"); and

WHEREAS, the governing bodies of each of the Operating JPA and Financing JPA have previously approved the execution and delivery of separate payment agreements with each of the Project Participants (each, a "Payment Agreement"), pursuant to which each Project Participant has agreed to pay their allocated share of debt service relating to the financing of the Project, which would include the Project Participant's allocated share of the Credit Agreement Installment Payments; and

WHEREAS, the Financing JPA is authorized under the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Bond Law") and Section 10 of the Joint Exercise of Powers Agreement dated as of September 1, 2023, between LVMWD and TWSD, to enter into the Credit Agreement, Fee Agreement and execute and deliver the Note and to pledge Credit Agreement Installment Payments and amounts received under the Payment Agreements to secure the Credit Agreement and the Note; and

WHEREAS, in accordance with California Government Code Section 5852.1, the Financing JPA has obtained and wishes to disclose the information set forth in Exhibit A.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LAS VIRGENES – TRIUNFO PUBLIC FINANCING AUTHORITY AS FOLLOWS:

SECTION 1. Approval of Recitals. The Financing JPA hereby finds and determines that the foregoing recitals are true and correct.

SECTION 2. Authorization of the Credit Agreement and Note. The Credit Agreement and the form of Note attached as Exhibit A to the Credit Agreement are hereby approved substantially in the forms on file with the Secretary. Each of the Chair or Vice Chair of the Board of Directors (the "Board"), the Executive Director, Treasurer or Deputy Treasurer of the Financing JPA or the designee thereof (each, an "Authorized Officer"), acting alone, is hereby authorized and directed to execute and deliver the Credit Agreement and the Note with such changes, insertions and omissions as may be recommended by the Financing JPA's General Counsel or Stradling Yocca Carlson & Rauth LLP, as bond counsel ("Bond Counsel"), and approved by the Authorized Officer executing the same, said execution being conclusive evidence of such approval; provided that the principal amount authorized to be drawn under the Credit Agreement shall not exceed \$155,000,000. The Board hereby approves and authorizes the performance of the Credit Agreement and the Note by the Financing JPA.

SECTION 3. Approval of Installment Purchase Agreement. The Installment Purchase Agreement is hereby approved substantially in the form on file with the Secretary. Each Authorized Officer, acting alone, is hereby authorized and directed to execute and deliver such Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by the Financing JPA's General Counsel or Bond Counsel, and approved by the officer or employee executing the same, said execution being conclusive evidence of such approval. The Board hereby approves and authorizes the performance of the Installment Purchase Agreement by the Financing JPA.

SECTION 4. Approval of Fee Agreement. The Fee Agreement is hereby approved substantially in the form on file with the Secretary. Each Authorized Officer, acting alone, is hereby authorized and directed to execute and deliver such Fee Agreement with such changes, insertions and

omissions as may be recommended by the Financing JPA's General Counsel or Bond Counsel, and approved by the officer or employee executing the same, said execution being conclusive evidence of such approval. The Board hereby approves and authorizes the performance of the Fee Agreement by the Financing JPA.

SECTION 5. Other Actions. The Board hereby approves and authorizes the performance of each Payment Agreement by the Financing JPA. Each Authorized Officer, acting alone, is hereby authorized and directed to execute and deliver each Payment Agreement with such changes, insertions and omissions as may be recommended by the Financing JPA's General Counsel or Bond Counsel, and approved by the officer or employee executing the same, said execution being conclusive evidence of such approval. The Authorized Officers, the Secretary or any other proper officer of the Financing JPA, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents, agreements, certificates and instruments or any amendments related to the foregoing and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Installment Purchase Agreement, Fee Agreement, Credit Agreement, Note, the Payment Agreements and this Resolution, and any actions previously taken in connection with such matters, including but not limited to the prior approval of the Payment Agreements, is hereby ratified. In the event that the Chair and Vice Chair of the Board are unavailable to sign any of the agreements described herein, any other member of the Board or Authorized Officer may sign such agreement.

SECTION 6. Definitions. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given to such terms in the Credit Agreement, unless the context otherwise clearly requires.

SECTION 7. Effective Date of Resolution. This Resolution shall take effect immediately.

PASSED, APPROVED, AND ADOPTED this 6th day of April, 2026.

Chair

ATTEST:

Vice Chair

APPROVED AS TO FORM:

W. Keith Lemieux, Agency Counsel

EXHIBIT A

GOOD FAITH ESTIMATES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

The good faith estimates set forth herein are provided with respect to the Credit Agreement in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Las Virgenes-Triunfo Public Financing Authority by PFM Financial Advisors LLC.

- (A) True Interest Cost of the Credit Agreement: 2.551%
- (B) Finance Charge of the Credit Agreement (Sum of all fees/charges paid to third parties): \$175,000
- (C) Net Proceeds of the Credit Agreement to be received (net of finance charges, reserves and capitalized interest, if any): \$150,000,000
- (D) Total Payment Amount through maturity of the Credit Agreement: \$158,011,772

The foregoing constitute good faith estimates only. The principal amount of the Credit Agreement, the true interest cost of the Credit Agreement, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of the execution of the Credit Agreement being different than the date assumed for purposes of such estimates; (b) the actual of principal amount of the Credit Agreement being different from the estimated amount used for purposes of such estimates; (c) the actual amortization of the Credit Agreement being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of execution of the Credit Agreement being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the Financing JPA's financing plan, or a combination of such factors.

The actual date of execution of the Credit Agreement and the principal amount of the Credit Agreement will be determined by the Financing JPA based on a variety of factors. The actual interest rate borne by the Credit Agreement will depend on market interest rates at the time of sale thereof. The actual amortization of the Credit Agreement will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Financing JPA.

CREDIT AGREEMENT

dated as of [____], 2026

among

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY,

LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY

and

WELLS FARGO MUNICIPAL CAPITAL STRATEGIES, LLC

relating to:

\$[_____]

LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY

**[TAX-EXEMPT NOTE
(WELLS FARGO CREDIT AGREEMENT)]**

CREDIT AGREEMENT

(This Table of Contents is not a part of this
Credit Agreement and is only
for convenience of reference)

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EXHIBITS:

- Exhibit A — Form of Note
- Exhibit B — Form of Notice of Borrowing
- Exhibit C — Form of Request for Extended Funded Period

CREDIT AGREEMENT

This CREDIT AGREEMENT dated as of [____], 2026 (together with all amendments, supplements and other modifications hereto, this “*Agreement*”), among LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY, a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (together with its permitted successors and assigns, the “*Authority*”), LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY, a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (together with its permitted successors and assigns, the “*Issuer*”), and WELLS FARGO MUNICIPAL CAPITAL STRATEGIES, LLC (together with its successors and assigns, the “*Lender*”).

WITNESSETH:

WHEREAS, the Authority is a joint exercise of powers agency formed October 12, 1964, relating to joint facilities of the Las Virgenes Municipal Water District (“*LVMWD*”) and the Triunfo Water & Sanitation District (“*TWSD*”) duly organized and existing under and by virtue of the Authority Joint Powers Agreement (as defined herein) and the laws of the State of California;

WHEREAS, the Issuer was established pursuant to the Issuer Joint Powers Agreement (as defined herein) and is authorized by Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, including but not limited to Section 6540 *et seq.*, to finance and refinance the acquisition and construction of property for LVMWD and TWSD;

WHEREAS, LVMWD and TWSD are members of the Authority and jointly operate certain facilities through the Authority and the Issuer is empowered to assist the Authority, LVMWD and TWSD in financing capital improvements;

WHEREAS, LVMWD and TWSD desire to finance the design and construction of the Project (as defined herein) and, in connection with such financing of the Project, the Authority and the Issuer have requested the Lender to establish the Commitment and make Loans and Term Loans as set forth herein and the Lender is prepared to establish the Commitment and make such Loans and Term Loans, in each case, subject to the terms and conditions of this Agreement;

WHEREAS, in order to evidence and secure the Loans and Term Loans, the Authority and the Issuer have authorized the issuance by the Issuer of the Note (as defined herein; and

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to induce the Lender to establish the Commitment and execute and deliver this Agreement and make Loans and Term Loans, in each case, subject to the terms and conditions of this Agreement, the Lender, the Authority and the Issuer agree as follows:

ARTICLE ONE

DEFINITIONS

Section 1.1. Definitions. As used in this Agreement:

“*Act*” means the Joint Exercise of Powers Act of the State of California (being Section 6500 *et seq.* of the Government Code of the State of California, as amended) and all laws amendatory thereof or supplemental thereto.

“*Affiliate*” means, as to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to be “controlled by” any other Person if such other Person possesses, directly or indirectly, power (a) to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing general partners; or (b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

“*Agreement*” has the meaning set forth in the introductory paragraph hereof.

“*Alternate Rate*” means, for any day, the rate per annum equal to the highest of (i) the Prime Rate then in effect, and (ii) the Federal Funds Rate *plus* 0.50%. Any change in the Alternate Rate due to a change in the Prime Rate or the Federal Funds Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Rate, respectively.

“*Alternate Rate Loan*” means any Loan bearing interest at a rate based upon the Alternate Rate as provided in Section 2.4(d) and/or 2.11 hereof.

“*Amortization End Date*” means, with respect to any Term Loan, the earliest to occur of: (i) the fifth (5th) anniversary of the Facility Maturity Date, and (ii) the date on which the Commitment could have been permanently reduced to zero or this Agreement is otherwise terminated, including as a result of the occurrence of an Event of Default.

“*Amortization Payment Date*” means, with respect to each Term Loan, (a) the Facility Maturity Date and the first Business Day of each third (3rd) calendar month occurring thereafter prior to the Amortization End Date and (b) the related Amortization End Date.

“*Anti-Corruption Laws*” means all laws, rules, and regulations of any jurisdiction from time to time concerning or relating to bribery or corruption, including the United States Foreign Corrupt Practices Act of 1977 and the rules and regulations thereunder and the U.K. Bribery Act 2010 and the rules and regulations thereunder.

“*Anti-Money Laundering Laws*” means any and all laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules related to terrorism financing, money laundering, any predicate crime to money laundering or any financial record keeping, including any applicable provision of the Patriot Act and The Currency and Foreign Transactions Reporting Act (also

known as the “Bank Secrecy Act,” 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959).

“*Applicable Factor*” means 80%.

“*Applicable Spread*” has the meaning set forth in the Fee Agreement.

“*Authority*” has the meaning set forth in the introductory paragraph hereof.

“*Authority Joint Powers Agreement*” means the Joint Exercise of Powers Agreement, dated January 26, 2009, by and between LVMWD and TWSD, as the same may be amended, supplemented, modified or restated in accordance with the terms thereof and hereof.

“*Authorized Authority Representative*” means the Administering Agent or any other authorized representative or authorized spokesperson conveying an official position of the Authority, or such person at the time and from time to time authorized to act on behalf of the Authority by written certificate furnished to the Lender.

“*Authorized Issuer Representative*” means the Executive Director, Treasurer and Deputy Treasurer or any other authorized representative or authorized spokesperson conveying an official position of the Issuer, or such person at the time and from time to time authorized to act on behalf of the Issuer by written certificate furnished to the Lender.

“*Available Tenor*” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed pursuant to Section 2.11(c)(iv), if applicable.

“*Bank Agreement*” means any credit agreement, direct purchase agreement, bond purchase agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement or other agreement or instrument (or any amendment, supplement or modification thereto) entered into by the Authority or the Issuer with any Person, directly or indirectly, or otherwise consented to by the Authority or the Issuer, under which any Person or Persons undertakes to directly purchase, make loans, extend credit or liquidity to the Authority or the Issuer in connection with any of the Authority’s or the Issuer’s Debt payable from or secured by a lien on all or any portion of Revenues senior to or on a parity with the Obligations.

“*Base Rate*” means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time *plus* one percent (1.00%), (ii) the Federal Funds Rate in effect at such time *plus* two percent (2.00%) and (iii) seven percent (7.00%). Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Rate shall be effective

from and including the effective date of such change in the Prime Rate or the Federal Funds Rate, respectively.

“*Benchmark*” means, initially, Daily Simple SOFR; *provided, however*, that if a Benchmark Transition Event has occurred with respect to Daily Simple SOFR or the then-current Benchmark, then “*Benchmark*” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior Benchmark pursuant to Section 2.4(d) hereof.

“*Benchmark Replacement*” means, with respect to any Benchmark Transition Event for any then-current Benchmark, the sum of: (a) the alternate benchmark rate that has been selected by the Lender and the Authority giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated or bilateral credit facilities and (b) the related Benchmark Replacement Adjustment; *provided that*, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Related Documents.

“*Benchmark Replacement Adjustment*” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Lender and the Authority giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated or bilateral credit facilities.

“*Benchmark Replacement Date*” means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “*Benchmark Transition Event*,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “*Benchmark Transition Event*,” the first date on which such Benchmark (or the published component used in the calculation thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) have been determined and announced by the regulatory

supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; *provided*, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if such Benchmark (or such component thereof) or, is such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, if such Benchmark is a term rate, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“*Benchmark Transition Event*” means, with respect to the then-current Benchmark, the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, the central bank for the Currency applicable to such Benchmark, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, if such Benchmark is a term rate, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“*Benchmark Transition Start Date*” means, with respect to any Benchmark, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“*Benchmark Unavailability Period*” means, with respect to any then-current Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Related Document in accordance with Section 2.11(c) hereof and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.11(c) hereof.

“*Borrowing*” means the borrowing of a Loan, as requested in each Notice of Borrowing.

“*Business Day*” means any day other than (i) a Saturday or Sunday or (ii) a day on which banks in the State of California are required or authorized by law to be closed, or (iii) a day on which the Lender is required or authorized by law to be closed.

“*Calculation Agent*” means Wells Fargo Bank, National Association or its affiliates.

“*Change in Law*” means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Law, rule, regulation or treaty, including, without limitation Risk-Based Capital Guidelines, (b) any change in any Law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, rulings, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States of America or foreign regulatory authorities, in each case pursuant to Basel III and each successor Basel accord, shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“*Closing Date*” means [_____], 2026, subject to the satisfaction (or waiver by the Lender) of all of the conditions precedent set forth in Section 3.1 hereof.

“*Code*” means the Internal Revenue Code of 1986, as amended, and any successor statute thereto, and the regulations promulgated thereunder

“*Commitment*” means the amount of \$[_____], as such amount may be reduced from time to time or terminated pursuant to Sections 2.7, 2.8 and 6.2 hereof.

“*Commitment Fee*” has the meaning set forth in the Fee Agreement.

“*Confidential Information*” means any permitted redactable information regarding the Authority, the Issuer, the Lender or any Affiliate of the Lender including, without limitation, address and account information, e-mail addresses, telephone numbers, facsimile numbers, names and signatures of officers, employees and signatories.

“*Conforming Changes*” means, with respect to either the use or administration of Daily Simple SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Alternate Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.11 hereof and other technical, administrative or operational matters) that the Lender decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender decides that adoption of any portion of such market practice is not administratively feasible or if the Lender determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Lender decides is reasonably necessary in connection with the administration of this Agreement and the other Related Documents).

“*Credit Period*” means the period from and including the Closing Date to and including the Termination Date, unless extended as provided herein.

“*Daily Simple SOFR*” means, for any day (a “*SOFR Rate Day*”), a rate per annum equal to the greater of (a) SOFR for the day (such day, a “*SOFR Determination Day*”) that is five (5) U.S. Government Securities Business Days prior to (A) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (B) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website; *provided* that if by 5:00 p.m. (New York City time) on the fifth (5th) U.S. Government Securities Business Day immediately following any SOFR Determination Day, SOFR in respect of such SOFR Determination Day has not been published on the SOFR Administrator’s Website and a Benchmark Replacement Date with respect to Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Day will be SOFR as published in respect of the first immediately preceding U.S. Government Securities Business Day for which such SOFR was published on the SOFR Administrator’s Website;

provided further that SOFR as determined pursuant to this proviso shall be utilized for purposes of calculation of Daily Simple SOFR for no more than three (3) consecutive SOFR Rate Days and (b) the Floor. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Authority or the Issuer.

“*Daily SOFR Rate*” means a per annum rate of interest equal to sum of (a) the Applicable Spread *plus* (b) the product of (i) Daily Simple SOFR multiplied by (ii) the Applicable Factor. The Daily SOFR Rate shall be rounded upwards to the fifth decimal place. Upon the occurrence and during the occurrence of an Event of Default the Daily SOFR Rate shall equal the Default Rate.

“*Debt*” of any Person means, without duplication, (i) all obligations of such Person evidenced by bonds, debentures, notes, certificates, securities or other similar instruments, (ii) all obligations of such Person for borrowed money, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) obligations of such Person as lessee under any lease of property, real or personal, that, in accordance with GAAP, would be required to be capitalized on a balance sheet of the lessee thereof, (v) obligations of such Person to reimburse or repay any bank or other Person in respect of amounts paid or advanced under a letter of credit, line of credit, credit agreement, liquidity facility or other instrument or other amounts loaned pursuant to a Bank Agreement, (vi) all obligations of such Person to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities or property or obligations for the deferred purchase price of property or services (other than trade accounts payable occurring in the ordinary course of business), (vii) all Guarantees by such Person of Debt of other Persons; (viii) all obligations arising under or pursuant to any Swap Contract and (ix) all obligations of other Persons secured by a lien on, or security interest in, any asset of such Person whether or not such obligation is assumed by such Person.

“*Default*” means any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

“*Default Rate*” means a per annum rate of interest equal to the sum of the Base Rate from time to time in effect *plus* three percent (3.00%).

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date on which the Authority or the Issuer files any statement, supplemental statement or other tax schedule, return or document which discloses that interest paid or payable on the Note, any Loan or any Term Loan is includable, in whole or in part, in the gross income of a Noteholder or any former Noteholder for federal income tax purpose;

(ii) the date on which the Lender or any Noteholder or former Noteholder notifies the Authority or the Issuer that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal

finance to the effect that interest paid or payable on the Note, any Loan or any Term Loan is includable, in whole or in part, in the gross income of a Noteholder or any former Noteholder for federal income tax purposes unless, within one hundred eighty (180) days after receipt by the Authority or the Issuer of such notification from the Lender or such Noteholder or any former Noteholder, the Authority or the Issuer shall deliver to the Lender, the Noteholder and any former Noteholder a ruling or determination letter issued to or on behalf of the Authority or the Issuer by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such ruling or determination letter) or a written opinion of its Note Counsel to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) the date on which the Authority or the Issuer shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of the Authority or the Issuer, or upon any review or audit of the Authority or the Issuer or upon any other ground whatsoever, interest paid or payable on the Note, any Loan or any Term Loan is includable, in whole or in part, in the gross income of a Noteholder or any former Noteholder for federal income tax purposes; or

(iv) the date on which the Authority or the Issuer shall receive notice from the Noteholder or any former Noteholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Lender, such Noteholder or such former Noteholder all or a portion of the interest on the Note, any Loan or any Term Loan due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the Authority or the Issuer has been afforded the opportunity, at its expense, to contest any such assessment or opinion, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that upon demand from the Lender, such Noteholder or former Noteholder, the Authority or the Issuer shall promptly reimburse, the Lender, such Noteholder or former Noteholder for any payments, including any taxes, interest, penalties or other charges, the Lender, such Noteholder or former Noteholder shall be obligated to make as a result of the Determination of Taxability.

“Dollars” and the sign “\$” means lawful money of the United States of America.

“Electronic Record” has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

“*Electronic Signature*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

“*Event of Default*” has the meaning set forth in Section 6.1 hereof.

“*Event of Taxability*” means a (i) change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Authority or the Issuer, or the failure to take any action by the Authority, or the making by the Authority or the Issuer of any misrepresentation herein or in any certificate given in connection with the Note, Loans or Term Loans) which has the effect of causing interest paid or payable on the Note, any Loan or any Term Loan to become includable, in whole or in part, in the gross income of the Lender, the Noteholder or any former Noteholder for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Authority or the Issuer of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Note, any Loan or any Term Loan to become includable, in whole or in part, in the gross income of the Lender, the Noteholder or any former Noteholder for federal income tax purposes with respect to the Note, any Loan or any Term Loan.

“*Excess Interest*” has the meaning set forth in Section 2.19 hereof.

“*Excluded Taxes*” means, with respect to the Lender, any Participant or any Noteholder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Lender, such Participant or such Noteholder is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Authority is located.

“*Facility Maturity Date*” means [_____, 2029], or, if such day is not a Business Day, the next preceding Business Day.

“*Favorable Opinion of Note Counsel*” means a written opinion of Note Counsel, addressed to the Authority, the Issuer and the Lender to the effect that the new Benchmark Replacement will not, in and of itself, cause interest on the Note or outstanding Loans or Term Loans to be included in gross income for purposes of federal income taxation.

“*Federal Funds Rate*” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided that*: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions

on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded, if necessary, to a whole multiple of one one-hundredth of 1.00%) charged to Wells Fargo Bank, National Association on such day on such transactions as determined by Wells Fargo Bank, National Association. Notwithstanding anything herein to the contrary, if the Federal Funds Rate as determined as provided above would be less than zero percent (0.0%), then the Federal Funds Rate shall be deemed to be zero percent (0.0%).

“Fee Agreement” means that certain Fee Agreement, dated the Closing Date, among the Issuer, the Authority and the Lender, as the same may be amended, modified or supplemented from time to time by written instrument executed by the Lender, the Issuer and the Authority, the terms of which are incorporated herein by reference.

“Floor” means the rate per annum equal to 0.00%.

“Guarantee” means, as to any Person, any (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Debt or other obligation payable or performable by another Person (the *“primary obligor”*) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Debt or other obligation of the payment or performance of such Debt or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Debt or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Debt or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Debt or other obligation of any other Person, whether or not such Debt or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Debt to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term *“Guarantee”* as a verb has a corresponding meaning.

“Issuer” has the meaning as set forth in the introductory paragraph.

“Issuer Joint Powers Agreement” means the Joint Exercise of Powers Agreement, dated as of September 1, 2023, by and between LVMWD and TWSD as the same may be amended, supplemented, modified or restated in accordance with the terms thereof and hereof.

“Fiscal Year” means with respect to the Authority and the Issuer, the twelve-month period commencing on July 1 of each year and ending on June 30 of the same calendar year or such other twelve-month period as the Authority and the Issuer (as applicable) may from time to time determine as it Fiscal Year.

“*Fitch*” means Fitch Ratings, Inc. and its successor rating agency.

“*Government Acts*” means any act or omission to act, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority.

“*Governmental Approvals*” means all authorizations, consents, approvals, permits, licenses and exemptions of, and all registrations and filings with or issued by, any Governmental Authorities.

“*Governmental Authority*” means the government of the United States or any other nation, or of any political subdivision thereof or any governmental or quasi-governmental entity, whether state or local, and any department, commission, board, bureau, administration, district, agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank) or any arbitrator, mediator or other Person with authority to bind a party at law.

“*Indemnified Taxes*” means Taxes other than Excluded Taxes.

“*Information*” has the meaning as set forth in Section 7.22 hereof.

“*Installment Payment*” has the meaning set forth in the Installment Purchase Agreement.

“*Installment Purchase Agreement*” means the Installment Purchase Agreement, dated as of [____], 2026 by and between the Authority and the Issuer, relating to the Note, as the same may be amended, supplemented, modified or restated in accordance with the terms thereof and hereof.

“*Installment Purchase Agreement Parity Debt*” means any Debt issued by or on behalf of the Authority or the Issuer secured by a lien on and/or payable from all or any portion of any Revenues.

“*Interest Payment Date*” means with respect to each Loan and each Term Loan, the first Business Day of each calendar month (with the first Interest Payment Date being [____], 2026), the Facility Maturity Date and such earlier date on which all Loans and Term Loans are required to be paid in full in accordance with the terms hereof or, if applicable, on the Amortization End Date.

“*Joint System*” has the meaning set forth in the Authority Joint Powers Agreement.

“*Laws*” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and

agreements with, any Governmental Authority, in each case whether or not having the force of law.

“*Lien*” means, with respect to any property, tangible or intangible, real or personal, any mortgage, lien, pledge, charge, security interest or other encumbrance of any kind in respect of such property.

“*Lender*” means Wells Fargo Municipal Capital Strategies, LLC, and its successors and assigns.

“*Lender Affiliate*” means the Lender and any Affiliate of the Lender and includes, without limitation, Wells Fargo Bank, National Association, Wells Fargo Securities (a trade name).

“*Lender Rate*” means the rate of interest per annum with respect to any Term Loan (i) for any day commencing on the date such Term Loan is made to and including the one hundred eightieth (180th) day next succeeding the Facility Maturity Date, equal to the Base Rate from time to time in effect, and (ii) for any day commencing on the one hundred eighty-first (181st) day next succeeding the Facility Maturity Date and at all times thereafter, equal to the sum of the Base Rate from time to time in effect *plus* one percent (1.0%); *provided, however*, that immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, “*Lender Rate*” shall mean the Default Rate.

“*Lender-Related Persons*” means the Lender, its Affiliates and the officers, directors, employees, agents and attorneys-in-fact of the Lender and Affiliates.

“*Lender Transferee*” has the meaning set forth in Section 7.3 hereof.

“*Loan*” or “*Loans*” means a loan to be made by the Lender in accordance with the applicable Notice of Borrowing.

“*LVMWD*” has the meaning set forth in the recitals hereof.

“*LVMWD Revenues Debt*” means Debt issued by or on behalf of LVMWD secured by a lien on and/or payable from all or any portion of the LVMWD Revenues.

“*LVMWD Payment Agreement*” means the Payment Agreement dated as of [____], 2026 by and among the Authority, the Issuer and LVMWD, as the same may be amended, supplemented, modified or restated in accordance with the terms thereof and hereof.

“*LVMWD Revenues*” has the meaning assigned to the term “Purchaser Revenues” in the LVMWD Payment Agreement.

“*LVMWD System*” has the meaning assigned to the term “Purchaser System” in the LVMWD Payment Agreement.

“Majority Noteholder” means the Noteholders with a majority of the aggregate ownership interest in Loans and Term Loans evidenced by the Note from time to time. As of the Closing Date, Wells Fargo Municipal Capital Strategies, LLC is the Majority Noteholder.

“Material Adverse Effect” or *“Material Adverse Change”* means (a) with respect to the Authority or the Issuer, a material adverse effect upon the Authority’s or the Issuer’s business, assets, liabilities (actual or contingent), properties, condition (financial or otherwise), results of operations or business prospects, and (b) with respect to the Authority’s or the Issuer’s obligations under this Agreement, the Fee Agreement or any other Related Document, a material adverse effect upon (i) the binding nature, validity or enforceability of the Authority’s obligations hereunder or thereunder, (ii) the Authority’s or the Issuer’s ability to perform its obligations hereunder or thereunder or (iii) the rights, security or interests of the Lender.

“Maximum Federal Corporate Tax Rate” means, on any given day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect as of such day (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Lender, the maximum statutory rate of federal income taxation which could apply to the Lender).

“Maximum Rate” means the maximum non-usurious lawful rate of interest permitted by applicable law.

“Moody’s” means Moody’s Investors Service, Inc. and any successor rating agency.

“Net Revenues” has the meaning set forth in the Payment Agreements.

“Non-Lender Transferee” has the meaning set forth in Section 7.2(c) hereof.

“Note” means the Las Virgenes-Triunfo Public Financing Authority [**Tax-Exempt Note (Wells Fargo Credit Agreement)**], such note to be executed and delivered to the Lender on the Closing Date in the form of Exhibit A attached hereto with appropriate insertions, executed and delivered by the Issuer, as the same may be amended, modified, restated or supplemented from time to time by written instrument executed by the Lender and the Issuer.

“Noteholder” means the Lender and each Lender Transferee or Non-Lender Transferee pursuant to the terms hereof so long as such Lender Transferee or Non-Lender Transferee owns an interest in the Note, as applicable, and shall include any holder of Loans or Term Loans.

“Note Counsel” means Stradling Yocca Carlson & Rauth LLP, or any other firm of attorneys nationally recognized on the subject of tax-exempt municipal finance selected by the Authority.

“Notice of Borrowing” has the meaning set forth in Section 2.2(a)(i) hereof.

“Notice of Extension” has the meaning set forth in Section 2.1(b) hereof.

“Obligations” means the Loans and Term Loans (which includes amounts owing to the Lender evidenced by and payable under the Note), the Commitment Fees and all other obligations of the Authority and the Issuer to the Lender arising under or in relation to this Agreement, the Fee Agreement or any of the other Related Documents (including any amounts to reimburse the Lender for any advances or expenditures by it under any of such documents), in each case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and however evidenced, held or acquired.

“OFAC” means the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“Payment Agreement Parity Debt” means (i) the Project Bonds and (ii) any other Debt issued by or on behalf of the Authority or the Issuer secured by a lien on and/or payable from all or any portion of any Purchaser Revenues on a parity basis with the Project Bonds and/or the Obligations.

“Participant” has the meaning set forth in Section 7.3(b) hereof.

“Participation” has the meaning set forth in Section 7.3(b) hereof.

“Patriot Act” has the meaning set forth in Section 7.17 hereof.

“Payment Account” means ABA:121000248, Bank: Wells Fargo Bank, Account Number: _____, Account Name: Wires in Process, Address: _____, Reference/ Originator to beneficiary info: Customer Name: _____, Obligor: _____, or such other account as the Lender may designate from time to time.

“Payment Agreements” means, collectively, the LVMWD Payment Agreement and the TWSD Payment Agreement.

“Person” means an individual, a corporation, a partnership, an association, a limited liability company, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

“Plan” means a pension plan providing benefits for employees of any Person.

“Prime Rate” means at any time the rate of interest most recently announced within Wells Fargo Bank, National Association at its principal office as its prime rate, with the understanding that the Prime Rate is one of Wells Fargo Bank, National Association’s base rates and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto, and is evidenced by the recording thereof after its announcement in such internal publication or publications as Wells Fargo Bank, National Association may designate; *provided, however*, that if the Prime Rate determined as provided above would be less than zero percent (0%), then the Prime Rate shall be deemed to be zero percent (0%). Each determination of the Prime Rate by Wells Fargo Bank, National Association will be conclusive and binding on the Authority absent manifest error.

“Project” has the meaning set forth in the Payment Agreements.

“Project Bonds” has the meaning set forth in the Payment Agreements.

“Project Participants” means LVMWD and TWSD.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

“Purchaser Revenues” means LVMWD Revenues and TWSD Revenues.

“Rating” means, with respect to any Rating Agency, the lowest of (i) the lowest rating assigned by such Rating Agency to any Payment Agreement Parity Debt (without regard to bond insurance or any other form of credit enhancement) and (ii) the long-term issuer credit rating on the Issuer.

“Rating Agency” and *“Rating Agencies”* means, individually or collectively, as applicable, Moody’s, S&P and/or Fitch.

“Recipient” means the Lender, each Participant, each Noteholder and any other recipient of any payment to be made by or on account of any obligation of the Authority and the Issuer hereunder.

“Related Documents” means this Agreement, the Note, the Fee Agreement, the Tax Certificate, the Installment Purchase Agreement, each Payment Agreement, the Authority Joint Powers Agreement, the Issuer Joint Powers Agreement and all amendments, restatements and supplements thereof in accordance with the respective terms thereof and the terms hereof.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York or any successor thereto.

“Revenues” has the meaning set forth in the Installment Purchase Agreement.

“Risk-Based Capital Guidelines” means (a) the risk-based capital guidelines in effect in the United States of America, including transition rules, and (b) the corresponding capital regulations promulgated by regulatory authorities outside the United States of America including transition rules, and any amendment to such regulations.

“Sanctioned Country” means at any time, a country, region or territory which is itself (or whose government is) the subject or target of any Sanctions (including, as of the Closing Date, Cuba, Iran, North Korea, Syria, Venezuela and Crimea).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC (including OFAC’s Specially Designated Nationals and Blocked Persons List and OFAC’s Consolidated Non-SDN List), the U.S. Department of State, the United Nations Security Council, the European Union, any European member state, His Majesty’s Treasury, or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any such Person or Persons described in clauses (a) and (b), including a Person that is deemed by OFAC to be a Sanctions target based on the ownership of such legal entity by Sanctioned Person(s) or (d) any Person otherwise a target of Sanctions, including vessels and aircraft, that are designated under any Sanctions program.

“Sanctions” means any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and restrictions and anti-terrorism laws, including but not limited to those imposed, administered or enforced from time to time by the U.S. government (including those administered by OFAC or the U.S. Department of State), the United Nations Security Council, the European Union, any European member state, His Majesty’s Treasury, or other relevant sanctions authority in any jurisdiction in which (a) the Authority or the Issuer or any of their respective Subsidiaries or Affiliates is located or conducts business, (b) in which any of the proceeds of the Loans or Term Loans will be used, or (c) from which repayment of the Loans or Term Loans will be derived.

“S&P” means S&P Global Ratings, and any successor rating agency.

“SOFR” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“SOFR Determination Day” has the meaning specified in the definition of “Daily Simple SOFR”.

“SOFR Rate Day” has the meaning specified in the definition of “Daily Simple SOFR”.

“State” means the State of California.

“State Loan Agreement” means the agreement between the Borrower, the Issuer and the California State Water Resources Control Board relating to the Project, as the same may be amended, supplemented, modified or restated in accordance with the terms thereof.

“Subsidiary” of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a *“Master Agreement”*), including any such obligations or liabilities under any Master Agreement.

“Taxable Date” means the date on which interest on any Loan, Term Loan or Note is first includable in the gross income of any holder thereof (including, without limitation, the Lender) as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

“Taxable Period” has the meaning set forth in Section 2.13 hereof.

“Taxable Rate” means, with respect to a Taxable Period, the product of (i) the interest rate on the Note, applicable Loan or applicable Term Loan during such period and (ii) the quotient of (A) one divided by (B) one minus the then current Maximum Federal Corporate Tax Rate.

“Tax Certificate” means each Tax Certificate delivered by the Authority and/or the Issuer as the same may be amended, supplemented, modified or restated in accordance with its terms.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

“Term Loans” has the meaning set forth in Section 2.22(a) hereof.

“*Termination Date*” means the Facility Maturity Date or, if earlier, the date on which the Commitment is terminated or permanently reduced to zero in accordance with the terms hereof.

“*TWSD*” has the meaning set forth in the recitals hereof.

“*TWSD Revenues Debt*” means Debt issued by or on behalf of TWSD secured by a lien on and/or payable from all or any portion of the TWSD Revenues.

“*TWSD Payment Agreement*” means the Payment Agreement dated as of [____], 2026 by and among the Authority, the Issuer and TWSD, as the same may be amended, supplemented, modified or restated in accordance with the terms thereof and hereof.

“*TWSD Revenues*” has the meaning assigned to the term “Purchaser Revenues” in the TWSD Payment Agreement.

“*TWSD System*” has the meaning assigned to the term “Purchaser System” in the TWSD Payment Agreement.

“*U.S. Government Securities Business Day*” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; *provided*, that for purposes of notice requirements in Section 2.2 hereof, in each case, such day is also a Business Day.

“*Unadjusted Benchmark Replacement*” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“*WIFIA Loan Agreement*” means the WIFIA Loan Agreement among the Issuer, the Authority and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency relating to the Las Virgenes-Triunfo Public Financing Authority Pure Water Project Las Virgenes-Triunfo (WIFIA ID – N22127CA) WIFIA Note, as the same may be amended, supplemented, modified or restated in accordance with the terms thereof.

“*2025 Financial Statements*” means, as applicable, the audited financial statements of the Authority for the Fiscal Year ended June 30, 2025.

Section 1.2. Incorporation of Certain Definitions by Reference. Each capitalized term used herein and not otherwise defined herein shall have the meaning provided therefor in the Installment Purchase Agreement.

Section 1.3. Accounting Terms and Determinations. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles.

Section 1.4. Interpretation. The following rules shall apply to the construction of this Agreement and the Fee Agreement unless the context requires otherwise: (a) the singular includes

the plural, and the plural the singular; (b) words importing any gender include the other gender and the neuter gender; (c) references to statutes are to be construed as including all statutory provisions consolidating, and all regulations promulgated pursuant to, such statutes; (d) references to “writing” include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible form; (e) the words “including,” “includes” and “include” shall be deemed to be followed by the words “without limitation”; (f) references to the introductory paragraph, recitals, articles, sections (or clauses or subdivisions of sections), exhibits, appendices, annexes or schedules are to those of this Agreement unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent that such amendments and other modifications are permitted or not prohibited by the terms of this Agreement; (h) article and section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose; and (i) unless otherwise indicated, references to Persons include their respective permitted successors and assigns; and (j) in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding.” All references to “funds” herein shall include all accounts and subaccounts therein unless the context clearly requires otherwise

Section 1.5. Rates. Section 2.4(d) of this Agreement provides a mechanism for determining an alternative rate of interest in the event that any Benchmark is no longer available or in certain other circumstances. Each of the Calculation Agent and the Lender do not warrant or accept any responsibility for and shall not have any liability with respect to, (a) the continuation of, administration of, submission of or calculation of, or any other matter related to, any Benchmark or any component definition thereof or rates referred to in the definition thereof, or any alternative or successor rate thereto, or replacement rate therefor (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 2.4(d) hereof, including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, such Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Calculation Agent, the Lender and their respective Affiliates and its affiliates or other related entities may engage in transactions that affect the calculation of any Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Authority or any other person or entity. The Calculation Agent and the Lender may select information sources or services in its reasonable discretion to ascertain any Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Authority or any other Person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

Section 1.6. Relation to Other Documents; Acknowledgment of Different Provisions of Related Documents; Incorporation by Reference. (a) Nothing in this Agreement shall be deemed

to amend, or relieve the Authority or the Issuer of their respective obligations under, any Related Document to which it is a party. Conversely, to the extent that the provisions of any Related Document allow the Authority or the Issuer to take certain actions, or not to take certain actions, with regard for example to permitted liens, transfers of assets, maintenance of financial ratios and similar matters, the Authority and the Issuer nevertheless shall be fully bound by the provisions of this Agreement.

(b) Except as provided in subsection (c) of this Section 1.6, all references to other documents shall be deemed to include all amendments, modifications and supplements thereto to the extent such amendment, modification or supplement is made in accordance with the provisions of such document and this Agreement.

(c) All provisions of this Agreement making reference to specific Sections of any Related Document shall be deemed to incorporate such Sections into this Agreement by reference as though specifically set forth herein (with such changes and modifications as may be herein provided) and shall continue in full force and effect with respect to this Agreement notwithstanding payment of all amounts due under or secured by the Related Documents, the termination or defeasance thereof or any amendment thereto or any waiver given in connection therewith, so long as this Agreement is in effect and until all Obligations are paid in full. No amendment, modification, consent, waiver or termination with respect to any of such Sections shall be effective as to this Agreement until specifically agreed to in writing by the parties hereto with specific reference to this Agreement.

ARTICLE TWO

THE CREDIT FACILITY

Section 2.1. Commitment to Lend. During the Credit Period, the Lender agrees, on the terms and conditions set forth in this Agreement, to make non-revolving loans to the Authority and the Issuer pursuant to this Section 2.1 from time to time in amounts such that the aggregate principal amount of Loans by the Lender made hereunder shall not exceed the amount of the Commitment. Within the foregoing limit and subject to the terms and conditions of Section 2.2 hereof, the Authority and the Issuer may borrow under this subsection (a), repay or, to the extent permitted by Section 2.9 hereof, prepay, the Loans during the Credit Period under this subsection (a). No amount of any Loan may be reborrowed once any portion of such Loan is repaid and the Commitment shall not be reinstated with respect to such Loan or otherwise modified by any such prepayments. Each Borrowing shall be made solely for the purpose of providing funds to pay costs of a Project, costs of issuance in connection with this Agreement or any other purpose permitted under the Installment Purchase Agreement.

Section 2.2. Method of Borrowing, Continuing Loans; Account to which Proceeds of Loans to be Credited. (a) In the case of any Borrowing, the Authority and the Issuer shall give the Lender notice in the form of Exhibit B hereto, executed by an Authorized Authority Representative and an Authorized Issuer Representative (a “*Notice of Borrowing*”), and the Authority or the

Issuer shall telephonically confirm the Lender's receipt of such Notice of Borrowing, by not later than 9:00 a.m. (Pacific time) on any Business Day, specifying:

(i) the date of such Borrowing, which shall be a Business Day during the Credit Period that is at least three (3) Business Days following the Lender's receipt of such Notice of Borrowing;

(ii) the aggregate amount of such Borrowing, which shall not exceed the difference between (A) the amount of the Commitment and (B) the aggregate principal amount of Loans then outstanding; and

(iii) that the following items are attached and delivered to Note Counsel, a tax certificate or supplement to an existing Tax Certificate, including a completed Form 8038-G, relating to such Borrowing, in each case in a form acceptable to Note Counsel.

(b) Subject to the provisions of subsection (a) of this Section 2.2, by not later than 12:30 p.m. (Pacific time) on the date of each Borrowing, the Lender shall, subject to satisfaction of the requirements of this Section 2.2 and Article III hereof, wire transfer, in federal or other immediately available funds, the proceeds of such Borrowing to the Authority on the Borrowing date specified in the Notice of Borrowing, so long as such Borrowing date occurs during the Credit Period and is at least three (3) Business Days following the Lender's receipt of such Notice of Borrowing, as specified in such Notice of Borrowing, in immediately available funds, an amount equal to the Loan thereby requested. The Lender shall wire transfer, in federal or other immediately available funds, the proceeds of such Borrowing to the following account: Account Name: _____, Bank Name: _____, ABA Number: _____, Account Number: _____; *provided, however*, that the Authority may, from time to time, change such account by written notice to the Lender, executed by an Authorized Authority Representative, given to the Lender at its address referred to in Section 7.2 hereof. Notwithstanding the foregoing, in the event such Notice of Borrowing is received by the Lender after 9:00 a.m. (Pacific time) on the Business Day which is three (3) Business Days immediately prior to the day of the proposed borrowing, the Lender shall be required to make the related Borrowing by 12:30 p.m. (Pacific time) on the fourth (4th) Business Day after receipt of the related Notice of Borrowing.

(c) The Lender shall not be obligated to honor more than two Borrowings during any thirty (30) day period.

(d) Each Loan shall be in the principal amount requested by the Authority pursuant to each notice in the form of Exhibit B hereto but in any event in a minimum principal amount of \$1,000,000 or such greater amount which is an integral multiple of \$250,000 in excess thereof.

Section 2.3. Maturity of Loans and Term Loans. (a) Each Loan included in any Borrowing shall mature, and the principal amount thereof (together with all accrued and unpaid interest therein) shall be due and payable by the Authority and the Issuer on the Facility Maturity Date or such earlier date on which all Loans or the related Loans become due and payable in accordance with the terms hereof.

(b) The Term Loans shall mature, and the principal amount thereof (together with all accrued and unpaid interest thereon) shall be due and payable by the Authority and the Issuer on the Amortization End Date or such earlier date on which all Term Loans become due and payable in accordance with the terms hereof.

Section 2.4. Interest Rates. (a) Subject to subsections (c), (d) and (e) below, and Section 2.15 hereof, each Loan (other than a Term Loan) shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is advanced until it is paid in full, at a rate per annum equal to the Daily SOFR Rate, and such interest shall be payable by the Authority and the Issuer on each Interest Payment Date.

(b) Interest on the Loans and Term Loans is to be excluded from gross income for federal income tax purposes. Interest on other amounts owing hereunder (other than Loans and Term Loans) is to be includable in the Lender's gross income for federal income tax purposes.

(c) The Calculation Agent shall determine the initial Daily SOFR Rate for the initial Loan on the date on which the Lender honors the related Request for Borrowing and makes the funds requested available hereunder. The Calculation Agent shall determine the Daily SOFR Rate on each SOFR Determination Day while each Loan remains unpaid. Interest on each Loan shall accrue each day such Loan is outstanding commencing on and including the date such Loan is advanced by the Lender hereunder until such Loan is paid in full. Notwithstanding the foregoing, with respect to a Loan designated to bear interest with respect to the Daily SOFR Rate that is advanced pursuant to new Borrowing, the rate for such Loan shall be the same rate as for all outstanding Loans bearing interest with respect to the Daily SOFR Rate. The Lender will consolidate all outstanding Loans for administrative purposes.

(d) *Circumstances Affecting Benchmark Availability.* Subject to clause (iii) below, in connection with any request for a SOFR Loan or a conversion to or continuation thereof or otherwise, if for any reason (i) the Calculation Agent or the Lender shall determine (which determination shall be conclusive and binding absent manifest error) that reasonable and adequate means do not exist for ascertaining Daily Simple SOFR pursuant to the definition thereof or (ii) the Lender shall determine (which determination shall be conclusive and binding absent manifest error) that Daily Simple SOFR does not adequately and fairly reflect the cost to the Lender of making or maintaining such Loans. Upon notice thereof by the Lender to the Authority, any obligation of the Lender to make SOFR Loans, and any right of the Authority to convert any Loan to or continue any Loan as a SOFR Loan, shall be suspended (to the extent of the affected SOFR Loans) until the Lender revokes such notice. Upon receipt of such notice, (A) the Authority may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans (to the extent of the affected SOFR Loans) or, failing that, the Authority will be deemed to have converted any such request into a request for a borrowing of or conversion to Loans bearing interest at the Alternate Base Rate in the amount specified therein and (B) any outstanding affected SOFR Loans will be deemed to have been converted into Loans bearing interest at the Alternate Base Rate immediately. Upon any such repayment or conversion, the Authority shall also pay accrued interest on the amount so repaid or converted, together with any additional amounts required pursuant to Section 2.06.

(ii) *Laws Affecting SOFR Availability.* If, after the date hereof, the introduction of, or any change in, any Applicable Law or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Calculation Agent or the Lender with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, shall make it unlawful or impossible for the Lender to honor its obligations hereunder to make or maintain any SOFR Loan, or to determine or charge interest based upon SOFR, Daily Simple SOFR, the Calculation Agent shall promptly give notice to the Authority (an “*Illegality Notice*”). Thereafter, until the Lender notifies the Authority that the circumstances giving rise to such determination no longer exist, any obligation of the Lender to make SOFR Loans, and any right of the Authority to continue any SOFR Loan, shall be suspended. Upon receipt of an Illegality Notice, the Authority shall, if necessary to avoid such illegality, upon demand from the Lender, prepay or, if applicable, convert all SOFR Loans to Alternate Base Rate Loans, on the Interest Payment Date therefor, if the Lender may lawfully continue to maintain such SOFR Loans to such day, or immediately, if the Lender may not lawfully continue to maintain such SOFR Loans to such day. Upon any such prepayment or conversion, the Authority shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.06.

(iii) *Benchmark Replacement Setting.*

(A) *Benchmark Replacement.* Notwithstanding anything to the contrary herein or in any other Related Document, upon the occurrence of a Benchmark Transition Event, the Lender and the Authority may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Lender has provided such proposed amendment to the Authority. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 2.11(c)(i)(A) will occur prior to the applicable Benchmark Transition Start Date.

(B) *Benchmark Replacement Conforming Changes.* In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Related Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Related Document.

(C) *Notices; Standards for Decisions and Determinations.* The Lender will promptly notify the Authority of (1) the implementation of any Benchmark Replacement and (2) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Lender will promptly notify the Authority of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.11(c)(iv). Any determination, decision or election that may be made by the Lender pursuant to this Section 2.11(c), including any determination

with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Related Document, except, in each case, as expressly required pursuant to this Section 2.11(c).

(D) *Unavailability of Tenor of Benchmark.* Notwithstanding anything to the contrary herein or in any other Related Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Lender in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Lender may modify this Agreement for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Lender may modify this Agreement for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(E) *Benchmark Unavailability Period.* Upon the Authority's receipt of notice of the commencement of a Benchmark Unavailability Period, (A) the Authority may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Authority will be deemed to have converted any such request into a request for a borrowing of or conversion to Alternate Base Rate Loans and (B) any outstanding affected SOFR Loans will be deemed to have been converted to Alternate Base Rate Loans immediately.

(F) *Approving Opinion of Note Counsel.* The Authority and the Issuer shall cause an Approving Opinion of Note Counsel to be delivered each time a new Benchmark Replacement is determined for calculation of the interest rate with respect to the Loans.

(e) Upon a Determination of Taxability, all Loans and Term Loans shall bear interest at the Taxable Rate.

(f) Subject to Section 2.15 hereof, the Term Loans shall bear interest on the outstanding principal amount thereof, for each date from the date of extension of such Term Loan until it becomes due, at a rate per annum equal to the Lender Rate. Such interest shall be payable by the Authority and the Issuer on each Interest Payment Date and on the Amortization End Date (or such earlier date on which all Term Loans become due and payable in accordance with the terms hereof).

Section 2.5. Fees. (a) The Authority and the Issuer hereby agree to pay and perform their obligations provided for in the Fee Agreement, including the payment by the Authority and the Issuer to the Lender of the nonrefundable Commitment Fees and the other fees, expenses and payments described in the Fee Agreement at the times, on the dates and in the amounts specified in the Fee Agreement, the terms of such Fee Agreement being incorporated herein by reference as if fully set forth herein. Any references herein or in any other document to the Commitment Fee and such other fees, expenses and payments owed to the Lender hereunder without specific reference to the Fee Agreement shall be read so as to include the Fee Agreement, and any reference to this Agreement shall be deemed to include a reference to the Fee Agreement. The Fee Agreement and this Agreement shall be construed as one agreement among the Authority, the Issuer and the Lender and all obligations under the Fee Agreement shall be construed as obligations hereunder.

(b) If the Authority or the Issuer shall fail to pay any amount payable hereunder and/or under the Fee Agreement as and when due, each such unpaid amount shall bear interest for each day from and including the date it was due until paid in full at the applicable Default Rate and shall be payable by the Authority and the Issuer on demand.

(c) The Authority and the Issuer shall pay within thirty (30) days after demand any amounts advanced by or on behalf of the Lender to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any Related Document, together with interest at the Default Rate.

Section 2.6. The Note. (a) All Loans and Term Loans shall be made against and evidenced by the Note. All Loans and Term Loans and all payments and prepayments on account of the principal of and interest on each Loan and Term Loan shall be recorded by the Lender on its books and records, which books and records shall, absent manifest error, be conclusive as to amounts payable by the Authority and the Issuer hereunder and under the Note.

(b) The Authority's and the Issuer's obligations to repay each Loan and Term Loan and to pay interest thereon as provided herein shall be evidenced and secured by the Note, and the Authority and the Issuer shall pay amounts under the Note on each date on which the Authority and the Issuer are required to make a principal payment on the related Loan or Term Loan, as applicable, in an amount equal to the related Loan or Term Loan, as applicable, payment due on such date. The payment of the principal of and interest on the Note shall constitute payment of the principal of and interest on the related Loan or Term Loan, as applicable, and the payment of the principal of and interest on the related Loan or Term Loan, as applicable, shall constitute the payment of principal and interest on the Note and the failure to make any payment on any Loan or Term Loan, as applicable, when due shall be a failure to make a payment on the Note and the failure to make any payment on the Note when due shall be a failure to make a payment on the related Loan or Term Loan, as applicable.

Section 2.7. Optional Termination or Reduction of Commitment. During the Credit Period, the Authority and the Issuer may, upon at least three (3) Business Days' written notice to the Lender, (i) terminate the Commitment at any time, if no Loans are outstanding at such time, or (ii) reduce the Commitment from time to time by an aggregate amount of \$1,000,000 or any larger

integral multiple of \$100,000, *provided*, that, after giving effect to such reduction of the Commitment, the Commitment shall be not less than the amount of the aggregate outstanding principal amount of the Loans.

Section 2.8. Mandatory Termination or Reduction of Commitment. (a) The Commitment shall terminate on the Termination Date, and any Loans then outstanding (together with accrued interest thereon and all other amounts payable hereunder) shall be due and payable by the Authority and the Issuer on such date, unless such Loans are converted to Term Loans as provided in Section 2.22 hereof.

(b) If at any time an Event of Default shall have occurred and be continuing, the Lender may deliver a written notice to that effect to the Authority and the Issuer, and the Commitment shall immediately terminate.

(c) In the event and on such occasion that the principal amount of Loans exceeds the Commitment, the Authority and the Issuer shall prepay the Loans in an aggregate amount equal to such excess.

Section 2.9. Optional Prepayments. The Authority and the Issuer may, upon at least ten (10) Business Days' prior written notice to the Lender, prepay any Borrowing in whole at any time, or from time to time in part in amounts aggregating \$1,000,000 or any larger integral multiple of \$50,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment.

Section 2.10. General Provisions as to Payments. The Authority and the Issuer shall make each payment of the principal of, and interest on, the Loans and Term Loans and of fees hereunder and under the Fee Agreement, not later than 1:00 p.m. (Pacific time) on the date when due, in federal or other funds immediately available in Los Angeles, to the Lender at the Payment Account.

Section 2.11. Computation of Interest and Fees. Interest with respect to Daily SOFR Rate Loans and fees shall be calculated on the basis of a 360-day year based upon the actual number of days elapsed and interest with respect to Alternate Rate Loans and Term Loans shall be calculated on the basis of a 365 or 366 day year, as applicable, and the actual number of days elapsed.

Section 2.12. Funding Indemnity. With respect to each Benchmark Replacement, if the Lender shall incur any loss, cost or expense (including, without limitation, any loss, cost or expense incurred by reason of the liquidation or re-employment of deposits or other funds acquired by the Lender to make any Loan or the relending or reinvesting of such deposits or amounts paid or prepaid to the Lender) as a result of:

(i) any payment, prepayment or conversion of any Loan on a date other than the last day of its Interest Period,

(ii) any failure (because of a failure to meet the conditions of Section 3.2 hereof or otherwise) by the Authority and the Issuer to borrow or continue a Loan, on the date specified in a notice given pursuant to Section 2.2(a) hereof,

(iii) any failure by the Authority and the Issuer to make any payment of principal on any Loan when due (whether by acceleration or otherwise), or

(iv) any acceleration of the maturity of a Loan as a result of the occurrence of any Event of Default hereunder,

then, upon the demand of the Lender, the Authority and the Issuer shall pay to the Lender such amount as will reimburse the Lender for such loss, cost or expense. If the Lender makes such a claim for compensation, it shall provide to the Authority and the Issuer a certificate setting forth the amount of such loss, cost or expense in reasonable detail and the amounts shown on such certificate shall be conclusive and binding on the Authority and the Issuer absent manifest error.

Section 2.13. Determination of Taxability. (i) In the event a Determination of Taxability occurs, the Authority and the Issuer hereby agree to pay to the Lender and each Noteholder within thirty (30) days of demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to the Lender and such Noteholder on the Note, Loan or Term Loan during the period for which interest on the such Note, Loan or Term Loan is included in the gross income of the Lender and such Noteholder if the Note, Loan or Term Loan had borne interest at the Taxable Rate, beginning on the Taxable Date (the “*Taxable Period*”), and (B) the amount of interest actually paid to the Lender and such Noteholder during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by the Lender and such Noteholder as a result of interest on the Note, Loan or Term Loan becoming included in the gross income of the Lender and such Noteholder, together with any and all reasonable attorneys’ fees, court costs, or other reasonable out-of-pocket costs incurred by the Lender and such Noteholder in connection therewith;

(ii) Subject to the provisions of clause (iii) below, the Lender and such Noteholder shall afford the Authority and the Issuer the opportunity, at the Authority’s and the Issuer’s sole cost and expense, to contest (1) the validity of any amendment to the Internal Revenue Code which causes the interest on the Note, Loan or Term Loan to be included in the gross income of Lender and such Noteholder or (2) any challenge to the validity of the tax exemption with respect to the interest on the Note, Loan or Term Loan, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); *provided that*, in no event shall the Lender or a Noteholder be required to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Authority and the Issuer or any other Person; and

(iii) As a condition precedent to the exercise by the Authority and the Issuer of its right to contest set forth in clause (ii) above, the Authority and the Issuer shall, upon reasonable demand, within thirty (30) days, reimburse the Lender and such Noteholder for any and all reasonable expenses (including reasonable attorneys’ fees for services that may be required or desirable, as

determined by the Lender and such Noteholder in its reasonable discretion) that may be incurred by the Lender and such Noteholder in connection with any such contest, and shall, within thirty (30) days from demand, reimburse Lender and such Noteholder for any and all penalties or other charges payable by the Lender or such Noteholder for failure to include such interest in its gross income.

(iv) Without prejudice to the survival of any other agreement of the Authority and the Issuer hereunder, the agreements and obligations of the Authority and the Issuer contained in this Section 2.13 shall survive the termination of this Agreement and the payment in full of the Obligations of the Authority and the Issuer thereunder and hereunder.

Section 2.14. Payment Due on Non-Business Day to Be Made on Next Business Day. If any sum becomes payable pursuant to this Agreement or the Fee Agreement on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

Section 2.15. Default Rate. Upon the occurrence and during the continuance of an Event of Default, all Obligations payable hereunder (for avoidance of doubt, excluding any fees which are not yet due and payable) shall bear interest until paid in full at a rate per annum equal to the Default Rate.

Section 2.16. Net of Taxes, Etc. (a) Any and all payments to the Lender or any Noteholder by the Authority and the Issuer hereunder or with respect to the Loans and Term Loans shall be made free and clear of and without deduction or withholding for any and all Indemnified Taxes. If the Authority and the Issuer shall be required by law to deduct or withhold any Indemnified Taxes imposed by the United States of America or any political subdivision thereof from or in respect of any sum payable hereunder or with respect to the Loans and/or Term Loans, then (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.16) the Lender or such Noteholder receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Authority and the Issuer shall make such deductions and (iii) the Authority shall timely pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Authority and the Issuer shall make any payment under this Section 2.16 to or for the benefit of the Lender or such Noteholder with respect to Indemnified Taxes and if the Lender or such Noteholder shall claim any credit or deduction for such Indemnified Taxes against any other taxes payable by the Lender or such Noteholder to any taxing jurisdiction in the United States of America then the Lender or such Noteholder shall pay to the Authority and the Issuer an amount equal to the amount by which such other taxes are actually reduced; *provided*, that the aggregate amount payable by the Lender or such Noteholder pursuant to this sentence shall not exceed the aggregate amount previously paid by the Authority and the Issuer with respect to such Indemnified Taxes. In addition, the Authority and the Issuer agree to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or any state of the United States from any payment made hereunder or under the Loans, the Term Loans or from the execution or delivery of this Agreement or the Note, or otherwise with respect

to this Agreement, the Loans or the Term Loans (hereinafter referred to as “*Other Taxes*”). The Lender or such Noteholder shall provide to the Authority and the Issuer within a reasonable time a copy of any written notification it receives with respect to Indemnified Taxes or Other Taxes owing by the Authority and the Issuer to the Lender or such Noteholder hereunder; *provided*, that the Lender or such Noteholder’s failure to send such notice shall not relieve the Authority of its obligation to pay such amounts hereunder. The Authority and the Issuer may conduct a reasonable contest of any such Indemnified Taxes with the prior written consent of the Lender, which consent shall not be unreasonably withheld or delayed; *provided*, that the Authority and the Issuer shall, on demand, immediately reimburse the Lender for any and all expenses (including attorneys’ fees for services that may be required or desirable, as determined by the Lender in its sole discretion) that may be incurred by the Lender in connection with any such contest.

(b) The Authority and the Issuer shall, to the fullest extent permitted by law and subject to the provisions hereof, pay the Lender or such Noteholder for the full amount of Indemnified Taxes and Other Taxes including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.16 paid by the Lender or such Noteholder or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted; *provided*, that the Authority and the Issuer shall not be obligated to pay the Lender or such Noteholder for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from the Lender or such Noteholder’s gross negligence or willful misconduct. The Lender or such Noteholder agrees to give notice to the Authority and the Issuer of the assertion of any claim against the Lender or such Noteholder relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided*, that the Lender or such Noteholder’s failure to notify the Authority and the Issuer promptly of such assertion shall not relieve the Authority of its obligation under this Section 2.16. Payments by the Authority and the Issuer pursuant to this Section 2.16 shall be made within thirty (30) days from the date the Lender or such Noteholder makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Lender or such Noteholder agrees to repay to the Authority and the Issuer any refund (including that portion of any interest that was included as part of such refund) with respect to Indemnified Taxes or Other Taxes paid by the Authority and the Issuer pursuant to this Section 2.16 received by the Lender or such Noteholder for Indemnified Taxes or Other Taxes that were paid by the Authority and the Issuer pursuant to this Section and to contest, with the cooperation and at the expense of the Authority and the Issuer, any such Indemnified Taxes or Other Taxes which the Lender or such Noteholder or the Authority and the Issuer reasonably believe not to have been properly assessed.

(c) Within thirty (30) days after the date of any payment of Indemnified Taxes by the Authority and the Issuer, the Authority and the Issuer shall furnish to the Lender the original or a certified copy of a receipt evidencing payment thereof.

(e) The obligations of the Authority and the Issuer under this Section 2.16 shall survive the termination of this Agreement and the repayment of all Obligations hereunder.

Section 2.17. Increased Costs.

(a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, the Lender or any Recipient;

(ii) subject any Recipient to any Taxes of any kind whatsoever with respect to this Agreement, or change the basis of taxation of payments to the Lender or such Recipient in respect thereof (except for Indemnified Taxes covered by Section 2.16 hereof and the imposition of, or any change in the rate of any Excluded Tax payable by the Lender or any Recipient); or

(iii) impose on the Lender or any Recipient any other condition, cost or expense affecting this Agreement or the Fee Agreement or any participation therein;

and the result of any of the foregoing shall be to increase the cost to the Lender or such Recipient related to issuing or maintaining this Agreement, the Commitment or any Loan or Term Loan, or to reduce the amount of any sum received or receivable by the Lender or such Recipient hereunder (whether of principal, interest or any other amount) then, upon written request of the Lender, the Authority and the Issuer shall promptly pay to the Lender (for the Lender or such Recipient, as the case may be) such additional amount or amounts as will compensate the Lender or such Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If the Lender or any Recipient determines that any Change in Law affecting the Lender or such Recipient or the Lender's or such Recipient's parent or holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on the Lender's or such Recipient's capital or liquidity or the capital or liquidity of such Lender's or such Recipient's parent or holding company holding, if any, as a consequence of this Agreement, or for maintaining this Agreement, the Commitment or any Loan or Term Loan, to a level below that which the Lender or such Recipient or the Lender's or such Recipient's parent or holding company could have achieved but for such Change in Law (taking into consideration the Lender's or such Recipient's policies and the policies of the Lender's or such Recipient's parent or holding company with respect to capital or liquidity adequacy), then from time to time upon written request of the Lender the Authority and the Issuer shall promptly pay to the Lender (for the Lender or such Recipient, as the case may be) such additional amount or amounts as will compensate the Lender or such Recipient or the Lender's or such Recipient's parent or holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of the Lender or a Recipient setting forth the amount or amounts necessary to compensate the Lender or any such Recipient or the Lender's or any such Recipient's parent or holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Authority and the Issuer, shall be conclusive absent manifest error. The Authority and the Issuer shall pay the Lender or any such Recipient, as the case may be, the amount shown as due on any such certificate within thirty (30) days after receipt thereof. Each Recipient shall have the benefits of this Section 2.17, but

shall not be entitled to receive any greater payment under such Section than the Lender would have been entitled to receive in connection with the rights transferred. The benefits of this Section 2.17 shall be available to the Lender's parent or holding company and each Noteholder's parent or holding company, to the extent that the events described herein, creating increased costs, affect the Lender's parent or holding company or such Noteholder's holding company.

(d) *Delay in Requests.* Failure or delay on the part of the Lender or any such Recipient to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of the Lender's right to demand such compensation.

(e) *Survival.* The obligations of the Authority and the Issuer under this Section 2.17 shall survive the termination of this Agreement and the repayment of all Obligations hereunder.

Section 2.18. Margin Regulations. No portion of the proceeds of any Loans or Term Loans shall be used by the Authority and the Issuer (or the Depositary or any other Person on behalf of the Authority and the Issuer) for the purpose of "purchasing" or "carrying" any margin stock or used in any manner which might cause the borrowing or the application of such proceeds to violate Regulation U, Regulation T, or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation of said Board of Governors or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect on the date or dates of such Loans or Term Loans and such use of proceeds.

Section 2.19. Maximum Rate; Payment of Fee. Anything in this Agreement to the contrary notwithstanding, if the rate of interest due hereunder shall exceed the Maximum Rate for any period for which interest is payable, then (i) interest at the Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof without regard to the Maximum Rate and (B) the Maximum Rate (the "*Excess Interest*"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time the Authority and the Issuer shall pay to the Lender, with respect to amounts then payable to the Lender that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Lender to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Lender. Upon the termination of the Commitment and/or this Agreement, in consideration for the limitation of the rate of interest otherwise payable hereunder, the Authority and the Issuer shall pay to the Lender a fee equal to the amount of all unpaid deferred Excess Interest.

Section 2.20. Security for Obligations and Pledge. Under the Payment Agreements, subject to Sections 5.1(p) and 5.2(p) hereof, the Authority and the Issuer shall cause the Project Participants to pay their Allocated Share (as defined in the related Payment Agreement) of Debt Service (as defined in the related Payment Agreement) from Purchaser Revenues under the Payment Agreements. To secure the payment of all Obligations hereunder and under the Fee Agreement, the Authority and the Issuer hereby irrevocably grant to the Lender a first priority pledge of, charge on, and lien upon all Revenues. It is hereby acknowledged and agreed that the pledge of, charge and lien on all Revenues herein provided shall be for the equal and proportionate

benefit and security for the payment of the Obligations and the other Installment Purchase Agreement Parity Debt, all of which shall be of equal rank without preference, priority or distinction as to lien or otherwise. The pledge of, charge and lien on hereby granted in all Revenues shall remain effective so long as any amounts may be drawn hereunder or any Obligations remain outstanding under this Agreement. No filing, registration, recording or publication of this Agreement, the Installment Purchase Agreement or any other instrument or Related Document is required to establish the pledge provided for thereunder or hereunder or to perfect, protect or maintain the pledge of, charge and lien created thereby on the Revenues to secure the payment of the Obligations in full. The pledge of all Revenues herein constitutes a valid pledge of and charge and lien upon all Revenues, has attached and is effective, binding, and enforceable against the Authority and the Issuer, their successors, purchasers of any of the Revenues, creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien on, security interest in and pledge of the Revenues and without the need for any physical delivery, recordation, filing or further act.

Section 2.21. Method of Payment; Etc. All payments to be made by, or on behalf of, the Authority and the Issuer under this Agreement and the Fee Agreement shall be made at the Payment Account not later than 1:00 P.M. (Pacific time) on the date when due and shall be made in lawful money of the United States of America in freely transferable and immediately available funds. All payments received by the Lender after 1:00 P.M. (Pacific time) shall be deemed to have been made on the next succeeding Business Day and any applicable interest or fees shall continue to accrue.

Section 2.22. Term Loans.

(a) *Generally.* (i) On the Facility Maturity Date, so long as (A) the Authority and the Issuer shall have delivered to the Lender a written request in the form of Exhibit C hereto no later than thirty (30) days prior to the Facility Maturity Date, (B) immediately before and as a result of giving effect to such conversion, no Default or Event of Default shall have occurred and be continuing on the Facility Maturity Date, or would result from the making of any Term Loan, (C) the representations and warranties of the Authority and the Issuer set forth in Article Four hereof are true and correct in all material respects as if made as of the Facility Maturity Date and (D) the Lender shall not have terminated its obligation to make Term Loans as a result of an Event of Default pursuant to Section 6.2(b) hereof, the Loans, if any, maturing on such date shall be automatically converted to term loans (each a “*Term Loan*” and collectively the “*Term Loans*”), the proceeds of which shall be deemed to have refunded the Loans. Notwithstanding anything to the contrary contained herein, in the event that on the Facility Maturity Date, any of the conditions precedent set forth in the immediately preceding sentence are not satisfied, all Loans will be due and payable by the Authority and the Issuer in full on the Facility Maturity Date.

(ii) The Term Loans shall be evidenced by the Note. The Term Loans may be repaid in whole or in part on any Business Day upon prior written notice from the Authority and the Issuer to the Lender.

(b) *Repayment.* The Authority and the Issuer shall pay to the Lender the outstanding principal amount of the Term Loans in equal (as nearly as possible) installments on each

Amortization Payment Date and on the Amortization End Date; *provided, however*, that, notwithstanding anything contained herein to the contrary, the entire principal amount of the Term Loans, plus accrued and unpaid interest thereon, shall be due and payable in full on the Amortization End Date (or such earlier date on which all Term Loans become due and payable in accordance with the terms hereof).

ARTICLE THREE

CONDITIONS PRECEDENT

Section 3.1. Conditions Precedent to the Effectiveness of this Agreement. As conditions precedent to the obligation of the Lender to establish the Commitment and execute and deliver this Agreement, the Authority and the Issuer shall provide to the Lender on the Closing Date, each in form and substance satisfactory to the Lender and its counsel, Chapman and Cutler LLP (hereinafter, “*Lender’s Counsel*”):

(a) *Approvals.* (i) The Lender shall have received an executed counterpart of this Agreement duly executed by the Authority, the Issuer and the Lender, an executed counterpart of the Fee Agreement duly executed by the Authority, the Issuer and the Lender, an executed original of the Note, and executed copies of the other Related Documents. (ii) The Lender shall have received copies of all action taken by the Authority (including, without limitation, any resolution adopted or passed by the Authority in connection therewith) approving the execution and delivery by the Authority of this Agreement, the Fee Agreement and the other Related Documents, in each case, certified by an authorized official of the Authority as complete and correct as of the date hereof. (iii) The Lender shall have received copies of all action taken by the Issuer (including, without limitation, any resolution adopted or passed by the Issuer in connection therewith) approving the execution and delivery by the Issuer of this Agreement, the Fee Agreement, the Note and the other Related Documents to which the Issuer is a party, in each case, certified by an authorized official of the Issuer as complete and correct as of the date hereof.

(b) *Incumbency of Officials.* (i) The Lender shall have received an incumbency certificate of the Authority in respect of each of the officials who is authorized to (a) sign this Agreement, the Fee Agreement, the other Related Documents on behalf of the Authority and (b) take actions for the Authority under this Agreement, the Note, and the Related Documents. (ii) The Lender shall have received an incumbency certificate of the Issuer in respect of each of the officials who is authorized to (a) sign this Agreement, the Note, the Fee Agreement and the other Related Documents to which the Issuer is a party on behalf of the Issuer and (b) take actions for the Issuer under this Agreement and the other Related Documents.

(c) *Opinion of Note Counsel.* The Lender shall have received an opinion addressed to the Lender and dated the Closing Date of Note Counsel as to the due authorization, execution and delivery of this Agreement and the Notes and as to the validity and enforceability with respect to the Authority of this Agreement, the Note and the other Related Documents, the pledge of and lien on the Revenues securing the Note and the

Obligations constituting a valid pledge, and such other matters as the Lender may reasonably request, in form and substance satisfactory to the Lender and its counsel.

(d) *Opinions of Counsel to the Authority and Issuer; Opinions of Counsel to the Project Participants.* (i) The Lender shall have received an opinion addressed to the Lender and dated the Closing Date of the general counsel for the Authority, in form and substance satisfactory to the Lender, and addressing (A) the Authority's existence, (B) the Authority's power and authority to enter into this Agreement, the Fee Agreement and the other Related Documents to which it is a party and to perform its obligations hereunder and thereunder, (C) the Authority's execution and delivery of this Agreement, the Fee Agreement and the other Related Documents to which it is a party, (D) the enforceability of the Authority's obligations under this Agreement, the Fee Agreement and the other Related Documents to which it is a party, (E) that the Authority has obtained all consents necessary to execute, deliver and perform this Agreement, the Fee Agreement and the other Related Documents to which it is a party, (F) the execution and delivery of this Agreement, the Fee Agreement and the other Related Documents to which it is a party by the Authority will not violate any law, order or agreement to which the Authority is subject or to which the Authority is a party, and (G) there is no litigation pending or threatened against the Authority that would prevent the Authority from executing and delivering this Agreement, the Fee Agreement and the other Related Documents to which it is a party or performing its obligations hereunder and thereunder.

(ii) The Lender shall have received an opinion addressed to the Lender and dated the Closing Date of the general counsel for the Issuer, in form and substance satisfactory to the Lender, and addressing (A) the Issuer's existence, (B) the Issuer's power and authority to enter into this Agreement, the Fee Agreement and the other Related Documents to which it is a party and to perform its obligations hereunder and thereunder, (C) the Issuer's execution and delivery of this Agreement, the Fee Agreement, the Note and the other Related Documents to which it is a party, (D) the enforceability of the Issuer's obligations under this Agreement, the Fee Agreement, the Note and the other Related Documents to which it is a party, (E) that the Issuer has obtained all consents necessary to execute, deliver and perform this Agreement, the Fee Agreement, the Note and the other Related Documents to which it is a party, (F) the execution and delivery of this Agreement, the Fee Agreement, the Note and the other Related Documents to which it is a party by the Issuer will not violate any law, order or agreement to which the Issuer is subject or to which the Issuer is a party, and (G) there is no litigation pending or threatened against the Issuer that would prevent the Issuer from executing and delivering this Agreement, the Fee Agreement, the Note and the other Related Documents to which it is a party or performing its obligations hereunder and thereunder.

(iii) The Lender shall have received an opinion addressed to the Lender and dated the Closing Date of the counsel for each Project Participant, in form and substance satisfactory to the Lender, and addressing, without limitation, the enforceability of such Project Participant's obligations under the Related Documents to which it is a party.

(e) *Related Documents.* **[(i)]** The Lender shall have received a certified copy of the Related Documents which have been executed prior to the Closing Date, all certified by an authorized officer of the Authority or the Issuer, as applicable, as being in full force and effect**;** **and (ii) the Lender shall have received evidence that the payment schedule set forth in Exhibit A to each Payment Agreement has been modified to include the Notes and a related payment schedule acceptable to the Lender in form and substance satisfactory to the Lender and its counsel].**

(f) *Financial Information.* The Lender shall have received copies of any financial information of the Authority, the Issuer, LVMWD and TWSD that the Lender may reasonably request.

(g) *Legality; Material Adverse Change.* The Lender shall have determined (in its sole discretion) that (i) neither the making of any Loans nor the consummation of any of the transactions contemplated by the Note, this Agreement or any other Related Document will violate any law, rule, guideline or regulation applicable to the Authority, the Issuer, the Lender, LVMWD, TWSD, the Commitment, the Note or this Agreement, and (ii) no Material Adverse Change shall have occurred since June 30, 2025.

(h) *Fees, Etc.* The Lender shall have received payment of the fees, costs and expenses payable on the Closing Date.

(i) *Note.* The Lender shall have received (i) the executed Note in physical, definitive certificated form and (ii) written evidence satisfactory to the Lender that a CUSIP number has been obtained and reserved from Standard & Poor's CUSIP Service for the Note.

(j) *Closing Certificate of Authority.* The Lender shall have received a certificate from the Authority executed by the Authorized Authority Representative, dated the Closing Date, stating that:

(i) the representations and warranties of the Authority contained in this Agreement and each certificate furnished or delivered by the Authority to the Lender pursuant hereto are true and correct on and as of the Closing Date as though made on and as of such date;

(ii) no "default" or "event of default" under any Related Document to which the Authority is a party and no Default or Event of Default has occurred and is continuing or would result from the entering into or performance under this Agreement, and the other Related Documents; and

(iii) except as has been disclosed to the Lender in writing prior to the Closing Date, there has been no Material Adverse Change since June 30, 2025.

(k) *Closing Certificate of Issuer.* The Lender shall have received a certificate from the Issuer executed by the Authorized Issuer Representative, dated the Closing Date, stating that:

(i) the representations and warranties of the Issuer contained in this Agreement and each certificate furnished or delivered by the Issuer to the Lender pursuant hereto are true and correct on and as of the Closing Date as though made on and as of such date;

(ii) no “default” or “event of default” under any Related Document to which the Issuer is a party and no Default or Event of Default has occurred and is continuing or would result from the entering into or performance under this Agreement and the other Related Documents; and

(iii) except as has been disclosed to the Lender in writing prior to the Closing Date, there has been no Material Adverse Change since June 30, 2025.

(l) *Other Documents.* The Lender shall have received such other documents, certificates, and opinions as the Lender or the Lender’s counsel shall have reasonably requested.

Section 3.2. Borrowings During the Credit Period. The obligation of the Lender to make a Loan on the occasion of any Borrowing on or prior to the Termination Date is subject to the satisfaction of the following conditions:

(a) receipt by the Lender of a Notice of Borrowing (or appropriate notice regarding continuation) as required by Section 2.2 hereof;

(b) immediately after such Borrowing or continuation, the aggregate outstanding principal amount of the Loans will not exceed the amount of the Commitment;

(c) immediately before and as a result of giving effect to such Borrowing or continuation, (i) no Default or Event of Default shall have occurred and be continuing and (ii) no Material Adverse Change shall have occurred;

(d) immediately before and as a result of giving effect to such Borrowing or continuation, all representations and warranties of the Authority and the Issuer as set forth in Article Four hereof shall be true and correct as though made on the date of such Request for Borrowing and on the date of the proposed Borrowing;

(e) immediately before such Borrowing or continuation, the Lender shall not have terminated its obligation to make Loans as a result of an Event of Default pursuant to Section 6.2(b) hereof;

(f) the Lender shall have received an executed opinion of Note Counsel addressed to the Authority and the Issuer and with a reliance letter to the Lender, in a form

acceptable to the Lender, to the effect that the interest on such Loan is excluded from gross income for federal income tax purposes; and

(g) the Authority shall have executed, and the Lender shall have received an executed copy of a tax certificate or supplement to an existing tax certificate, including a completed Form 8038-G, relating to such Borrowing, in each case in a form acceptable to Note Counsel.

Each Borrowing or continuation hereunder shall be deemed to be a representation and warranty by the Authority and Issuer on the date of such Borrowing as to the facts specified in clauses (b), (c) and (d) of this Section 3.2 and that no Default or Event of Default has occurred and is continuing.

Section 3.3. No Rating on Note; No DTC; No Offering Document; No Placement. The Note shall not be (a) assigned a specific rating by any Rating Agency, (b) registered with The Depository Trust Company or any other securities depository, (c) issued pursuant to any type of official statement, private placement memorandum or other offering document or (d) placed or offered by a broker-dealer in the capacity of an underwriter or a placement agent.

ARTICLE FOUR

REPRESENTATIONS AND WARRANTIES

Section 4.1. Representations of the Authority. In order to induce the Lender to establish the Commitment and execute and deliver this Agreement, the Authority represents and warrants to the Lender as follows:

(a) *Existence and Power.* The Authority is a joint exercise of powers agency that is duly organized and existing under and pursuant to the laws of the State of California and the Authority Joint Powers Agreement, and is possessed of full powers to own and lease (as lessor and lessee) real and personal property, to own and operate the Joint System, to conduct its other business as presently conducted and to enter into contracts such as this Agreement and the other Related Documents, which powers have been validly exercised in connection with the transactions effected by this Agreement and the other Related Documents. The Authority has full legal right, power and authority to enter into this Agreement and the other Related Documents and to carry out and consummate all transactions that are contemplated by this Agreement and the other Related Documents and by proper action has duly authorized the execution and delivery and due performance of this Agreement and the other Related Documents.

(b) *Authorization; Contravention; Approvals.* The execution, delivery and performance by the Authority of this Agreement, the Fee Agreement and the other Related Documents and the other documents contemplated hereby and thereby are within the powers of the Authority, have been duly authorized by all necessary actions and (i) do not contravene the Act or any other law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease, instrument or other

contractual restriction binding on or affecting the Authority and (ii) except as provided in or contemplated by this Agreement and the Related Documents, do not result in or require the creation of any Lien, security interest or other charge or encumbrance upon or with respect to any asset of the Authority. The Authority is not in violation of or in default in any material respect under any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award that would prevent or is reasonably likely to prevent the Authority from performing its obligations under this Agreement, the Fee Agreement or the other Related Documents. The Authority is not in violation of or in default in any material respect under any indenture, agreement, lease, instrument or other contractual restriction and is not in violation of or in default in any respect under any of the Related Documents that would prevent or is reasonably likely to prevent the Authority from performing its obligations under this Agreement, the Fee Agreement or the other Related Documents. No Default or Event of Default has occurred and is continuing. All orders, consents and other authorizations or approvals of all Governmental Authorities and all other Persons have been obtained (and no additional authorization, approval or other action by, and no notice to or filing or registration with, any Governmental Authority is required to be made or obtained by the Authority) for the due execution, delivery and performance by the Authority of this Agreement and the other Related Documents.

(c) *Enforceability.* This Agreement and the other Related Documents, and other documents contemplated hereby and thereby to which the Authority is a party or by which it is bound, are legally valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (ii) general principles of equity; and (iii) the exercise of judicial discretion in appropriate cases.

(d) *Litigation.* Except as disclosed in writing to the Lender prior to the Closing Date, there are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before any court, Governmental Authority or arbitrator pending or, to the best knowledge of the Authority, threatened, against or directly involving the Authority, affecting the existence of the Authority, the title of any officials to their respective offices or affecting or seeking to prohibit, restrain or enjoin the execution or delivery of this Agreement or any Related Document, or in any way contesting or affecting the validity or enforceability of the Note, this Agreement, any other Related Document or contesting the tax-exempt status of the Note, or contesting the powers of the Authority or any authority for the issuance of the Note, the execution and delivery of this Agreement or the other Related Documents, nor, to the best knowledge of the Authority, is there any basis therefor, which, if determined adversely to the Authority (i) would adversely affect the validity or enforceability of, or the authority or ability of the Authority to perform its obligations under, this Agreement, the Fee Agreement or any other the Related Documents, (ii) would, in the reasonable opinion of the Authority, have a material adverse effect on the business, financial position or results of operations of the Authority, (iii) would adversely affect the exclusion of interest on the Note from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes, or (iv) could otherwise reasonably be expected to result in a Material Adverse Effect.

(e) *Financial Information.* (i) The audited financial statements of the Authority included in the 2025 Financial Statements, true and correct copies of which have heretofore been delivered or made available to the Lender, fairly present, in conformity with generally accepted accounting principles the financial position of the Authority and its results of operations and changes in financial position at the dates and for the periods indicated.

(ii) Except as has been disclosed in writing to the Lender prior to the Closing Date, since June 30, 2025, there has been no material adverse change in the business, financial position or results of operations of the Authority, LVMWD or TWSD which could reasonably be expected to result in a Material Adverse Effect.

(iii) Except as reflected in the financial statements included in the 2025 Financial Statements or as has been disclosed in writing to the Lender prior to the Closing Date and except for the Authority's obligations set forth in this Agreement and the other Related Documents, there are as of the date hereof no liabilities or obligations with respect to the Authority of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which, in the aggregate, would be material to the Authority. The Authority does not know of any basis for the assertion against the Authority of any liability or obligation of any nature whatsoever that is not reflected in the financial statements included in the 2025 Financial Statements or other written disclosure to the Lender delivered prior to the Closing Date which, in the aggregate, could be material to the Authority.

(f) *Disclosure.* No written information furnished by the Authority to the Lender in connection with this Agreement (except information which has been superseded by subsequent information provided by the Authority) includes any untrue statement of a material fact.

(g) *Environmental Matters.* Except as disclosed in writing to the Lender prior to the Closing Date, the Authority has not received notice to the effect that the operations of the Joint System are not in compliance with any of the requirements of applicable Federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, in each case which non-compliance or remedial action could have a Material Adverse Effect.

(h) *Plans.* The Authority is not subject to ERISA or maintains no Plan.

(i) *Regulations U and X.* The Authority is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of any Loans or Term Loans will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

(j) *Tax-Exempt Status.* The Authority has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Note from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes.

(k) *Security.* (i) The Payment Agreements create a pledge of all Purchaser Revenues as security for the installment payments payable under the Installment Payments. The Installment Purchase Agreement creates a pledge of all Revenues as security for the punctual payment of the interest and principal due with respect to the Note and the Obligations owed to the Lender hereunder. All actions necessary to create a pledge of all Purchaser Revenues and the Revenues have been duly and validly taken. The Authority's obligation to pay the Obligations is *pari passu* with its obligation to pay any Installment Purchase Agreement Parity Debt.

(ii) This Agreement constitutes a "Contract" as defined in and for purposes of the Installment Purchase Agreement. Payments of interest and principal on the Obligations as required and scheduled by the terms hereof constitute "Installment Payments" as defined in and for purposes of the Installment Purchase Agreement.

(l) *Constitutional Matters.* There is no amendment, or, to the best knowledge of the Authority, proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any legislation which has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to have Material Adverse Effect. There is no public vote or referendum pending, proposed or concluded, the results of which could reasonably be expected result in a Material Adverse Effect.

(m) *No Sovereign Immunity.* The Authority is not entitled to claim immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) with respect to itself or its revenues (irrespective of their use or intended use) from (i) any action, suit or other proceeding arising under or relating to this Agreement or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or for recovery of property or (iii) execution or enforcement of any judgment to which it or Revenues might otherwise be made subject in any action, suit or proceeding relating to this Agreement or any other Related Document, and no such immunity (whether or not claimed) may be attributed to the Authority or Revenues.

(n) *Incorporation of Representations and Warranties by Reference.* The Authority hereby makes to the Lender every representation and warranty made by it in the Related Documents, which representations and warranties, as well as the defined terms contained therein that are necessary for a correct interpretation thereof, are incorporated

herein by this reference with the same effect as if each and every such provision and defined term were set forth herein in its entirety. No amendment, modification, termination or replacement of any such representations, warranties, covenants and definitions contained in the Related Documents shall be effective to amend, modify, terminate or replace the representations, warranties, covenants and definitions incorporated herein by this reference, without the prior written consent of the Lender. The representations and warranties of the Authority in all of the Related Documents are true and correct in all material respects.

(o) *No Violation of Usury Laws.* The terms hereof regarding the calculation and payment of interest on the Note do not violate any applicable usury laws of the State of California and, the terms of this Agreement, the Fee Agreement, and the Note regarding the calculation and payment of interest and fees and other amounts due under this Agreement, the Fee Agreement, and the Note do not violate any applicable usury laws of the State of California.

(p) *Compliance.* The Authority is in substantial compliance with all laws, ordinances, orders, rules and regulations applicable to it, except to the extent noncompliance could not reasonably be expected to result in a Material Adverse Effect.

(q) *Default.* The Authority is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any the Related Document or any other resolution, agreement or instrument to which it is a party which could have a Material Adverse Effect.

(r) *Casualty.* Neither the business nor the Property of the Authority is currently affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance), which could have a Material Adverse Effect.

(s) *Insurance.* The Authority currently maintains insurance coverage with insurance companies believed by the Authority to be capable of performing their obligations under the respective insurance policies issued by such insurance companies to the Authority (as determined in its reasonable discretion) and in full compliance with the terms hereof.

(t) *Taxes.* The Authority has filed any Federal, state and other material tax returns and reports required to be filed, and has paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with generally accepted accounting principles. There is no proposed tax assessment against the Authority that would, if made, have a Material Adverse Effect.

(u) *Sanctions Concerns; Anti-Corruption Laws.* The Authority and its Affiliates have conducted their business in compliance with all Anti-Corruption Laws and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

(i) None of (A) the Authority, or, to the knowledge of the Authority, any of their respective directors, officers, employees or Affiliates, or (B) to the knowledge of the Authority, any agent or representative of the Authority that will act in any capacity in connection with or benefit from the Loans or Term Loans, (1) is a Sanctioned Person or currently the subject or target of any Sanctions, (2) has its assets located in a Sanctioned Country, (3) is under administrative, civil or criminal investigation for an alleged violation of, or received notice from or made a voluntary disclosure to any governmental entity regarding a possible violation of, Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions by a governmental authority that enforces Sanctions or any Anti-Corruption Laws or Anti-Money Laundering Laws, or (4) directly or indirectly derives revenues from investments in, or transactions with, Sanctioned Persons

(ii) The Authority has implemented and maintains in effect policies and procedures designed to ensure compliance by the Authority and its respective directors, officers, employees, agents and Affiliates with all Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions.

(iii) The Authority, and to the knowledge of the Authority, director, officer, employee, agent and Affiliate of the Authority, is in compliance with all Anti-Corruption Laws, Anti-Money Laundering Laws in all respects and applicable Sanctions.

(iv) No proceeds of any Loan or Term Loan have been used, directly or indirectly, by the Authority or any of its or their respective directors, officers, employees and agents in violation of Section 7.17 hereof.

Section 4.2. Representations of the Issuer. In order to induce the Lender to establish the Commitment and execute and deliver this Agreement, the Issuer represents and warrants to the Lender as follows:

(a) *Existence and Power.* The Issuer is a joint exercise of powers agency that is duly organized and existing under and pursuant to the laws of the State of California and the Issuer Joint Powers Agreement, and is possessed of full powers to own and lease (as lessor and lessee) real and personal property, to conduct its other business as presently conducted and to enter into contracts such as this Agreement and the other Related Documents, which powers have been validly exercised in connection with the transactions effected by this Agreement and the other Related Documents. The Issuer has full legal right, power and authority to enter into this Agreement and the other Related Documents and to carry out and consummate all transactions that are contemplated by this Agreement

and the other Related Documents and by proper action has duly authorized the execution and delivery and due performance of this Agreement and the other Related Documents.

(b) *Authorization; Contravention; Approvals.* The execution, delivery and performance by the Issuer of this Agreement, the Fee Agreement and the other Related Documents and the other documents contemplated hereby and thereby are within the powers of the Issuer, have been duly authorized by all necessary actions and (i) do not contravene the Act or any other law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease, instrument or other contractual restriction binding on or affecting the Issuer and (ii) except as provided in or contemplated by this Agreement and the Related Documents, do not result in or require the creation of any Lien, security interest or other charge or encumbrance upon or with respect to any asset of the Issuer. The Issuer is not in violation of or in default in any material respect under any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award that would prevent or is reasonably likely to prevent the Issuer from performing its obligations under this Agreement, the Fee Agreement or the other Related Documents. The Issuer is not in violation of or in default in any material respect under any indenture, agreement, lease, instrument or other contractual restriction and is not in violation of or in default in any respect under any of the Related Documents that would prevent or is reasonably likely to prevent the Issuer from performing its obligations under this Agreement, the Fee Agreement or the other Related Documents. No Default or Event of Default has occurred and is continuing. All orders, consents and other authorizations or approvals of all Governmental Authorities and all other Persons have been obtained (and no additional authorization, approval or other action by, and no notice to or filing or registration with, any Governmental Authority is required to be made or obtained by the Issuer) for the due execution, delivery and performance by the Issuer of this Agreement and the other Related Documents.

(c) *Enforceability.* This Agreement and the other Related Documents, and other documents contemplated hereby and thereby to which the Issuer is a party or by which it is bound, are legally valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (ii) general principles of equity; (iii) the exercise of judicial discretion in appropriate cases; and (iv) to the limitations on legal remedies against municipal utility districts in the State of California.

(d) *Litigation.* Except as disclosed in writing to the Lender prior to the Closing Date, there are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before any court, Governmental Authority or arbitrator pending or, to the best knowledge of the Issuer, threatened, against or directly involving the Issuer, affecting the existence of the Issuer, the title of any officials to their respective offices or affecting or seeking to prohibit, restrain or enjoin the execution or delivery of this Agreement or any Related Document, or in any way contesting or affecting the validity or enforceability of the Note, this Agreement, any other Related Document or contesting the tax-exempt status of the Note, or contesting the powers of the Issuer or any authority for the issuance of the Note,

the execution and delivery of this Agreement or the other Related Documents, nor, to the best, knowledge of the Issuer, is there any basis therefor, which, if determined adversely to the Issuer (i) would adversely affect the validity or enforceability of, or the authority or ability of the Issuer to perform its obligations under, this Agreement, the Fee Agreement or any other the Related Documents, (ii) would, in the reasonable opinion of the Issuer, have a material adverse effect on the business, financial position or results of operations of the Issuer, (iii) would adversely affect the exclusion of interest on the Note from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes, or (iv) could otherwise reasonably be expected to result in a Material Adverse Effect.

(e) *Financial Information.* (i) Except as has been disclosed in writing to the Lender prior to the Closing Date, since June 30, 2025, there has been no material adverse change in the business, financial position or results of operations of the Issuer, LVMWD or TWSD which could reasonably be expected to result in a Material Adverse Effect.

(ii) Except as reflected in the financial statements included in the 2025 Financial Statements or as has been disclosed in writing to the Lender prior to the Closing Date and except for the Issuer's obligations set forth in this Agreement and the other Related Documents, there are as of the date hereof no liabilities or obligations with respect to the Issuer of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which, in the aggregate, would be material to the Issuer. The Issuer does not know of any basis for the assertion against the Issuer of any liability or obligation of any nature whatsoever that was not disclosed to the Lender in writing prior to the Closing Date which, in the aggregate, could be material to the Issuer.

(f) *Disclosure.* No written information furnished by the Issuer to the Lender in connection with this Agreement (except information which has been superseded by subsequent information provided by the Issuer) includes any untrue statement of a material fact.

(g) *Environmental Matters.* Except as disclosed in writing to the Lender prior to the Closing Date, the Issuer has not received notice to the effect that the operations of the Joint System are not in compliance with any of the requirements of applicable Federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, in each case which non-compliance or remedial action could have a Material Adverse Effect.

(h) *Plans.* The Authority is not subject to ERISA or maintains no Plan.

(i) *Regulations U and X.* The Issuer is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of any Loans or Term Loans will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

(j) *Tax-Exempt Status.* The Issuer has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Note from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes.

(k) *Security.* The Payment Agreements create a pledge of all Purchaser Revenues as security for the installment payments payable under the Installment Payments. The Installment Purchase Agreement creates a pledge of all Revenues as security for the punctual payment of the interest and principal due with respect to the Note and the Obligations owed to the Lender hereunder. All actions necessary to create a pledge of all Purchaser Revenues and the Revenues have been duly and validly taken. The Issuer's obligation to pay the Obligations is *pari passu* with its obligation to pay any Installment Purchase Agreement Parity Debt.

(l) *Constitutional Matters.* There is no amendment, or, to the best knowledge of the Issuer, proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any legislation which has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to have Material Adverse Effect. There is no public vote or referendum pending, proposed or concluded, the results of which could reasonably be expected result in a Material Adverse Effect.

(m) *No Sovereign Immunity.* The Issuer is not entitled to claim immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) with respect to itself or its revenues (irrespective of their use or intended use) from (i) any action, suit or other proceeding arising under or relating to this Agreement or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or for recovery of property or (iii) execution or enforcement of any judgment to which it or Revenues might otherwise be made subject in any action, suit or proceeding relating to this Agreement or any other Related Document, and no such immunity (whether or not claimed) may be attributed to the Issuer or Revenues.

(n) *Incorporation of Representations and Warranties by Reference.* The Issuer hereby makes to the Lender every representation and warranty made by it in the Related Documents, which representations and warranties, as well as the defined terms contained therein that are necessary for a correct interpretation thereof, are incorporated herein by this reference with the same effect as if each and every such provision and defined term were set forth herein in its entirety. No amendment, modification, termination or replacement of any such representations, warranties, covenants and definitions contained in the Related Documents shall be effective to amend, modify, terminate or replace the representations, warranties, covenants and definitions incorporated herein by this reference, without the prior written consent of the Lender. The representations and

warranties of the Issuer in all of the Related Documents are true and correct in all material respects.

(o) *No Violation of Usury Laws.* The terms hereof regarding the calculation and payment of interest on the Note do not violate any applicable usury laws of the State of California and, the terms of this Agreement, the Fee Agreement, and the Note regarding the calculation and payment of interest and fees and other amounts due under this Agreement, the Fee Agreement, and the Note do not violate any applicable usury laws of the State of California.

(p) *Compliance.* The Issuer is in substantial compliance with all laws, ordinances, orders, rules and regulations applicable to it, except to the extent noncompliance could not reasonably be expected to result in a Material Adverse Effect.

(q) *Default.* The Issuer is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any the Related Document or any other resolution, agreement or instrument to which it is a party which could have a Material Adverse Effect.

(r) *Reserved.*

(s) *Reserved.*

(t) *Taxes.* The Issuer has filed any Federal, state and other material tax returns and reports required to be filed, and has paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with generally accepted accounting principles. There is no proposed tax assessment against the Issuer that would, if made, have a Material Adverse Effect.

(u) *Sanctions Concerns; Anti-Corruption Laws.* The Issuer and its Affiliates have conducted their business in compliance with all Anti-Corruption Laws and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

(i) None of (A) the Issuer, or, to the knowledge of the Issuer, any of their respective directors, officers, employees or Affiliates, or (B) to the knowledge of the Issuer, any agent or representative of the Issuer that will act in any capacity in connection with or benefit from the Loans or Term Loans, (1) is a Sanctioned Person or currently the subject or target of any Sanctions, (2) has its assets located in a Sanctioned Country, (3) is under administrative, civil or criminal investigation for an alleged violation of, or received notice from or made a voluntary disclosure to any governmental entity regarding a possible violation of, Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions by a governmental authority that

enforces Sanctions or any Anti-Corruption Laws or Anti-Money Laundering Laws, or (4) directly or indirectly derives revenues from investments in, or transactions with, Sanctioned Persons

(ii) The Issuer has implemented and maintains in effect policies and procedures designed to ensure compliance by the Issuer and its respective directors, officers, employees, agents and Affiliates with all Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions.

(iii) The Issuer, and to the knowledge of the Issuer, director, officer, employee, agent and Affiliate of the Issuer, is in compliance with all Anti-Corruption Laws, Anti-Money Laundering Laws in all respects and applicable Sanctions.

(iv) No proceeds of any Loan or Term Loan have been used, directly or indirectly, by the Issuer or any of its or their respective directors, officers, employees and agents in violation of Section 7.17 hereof.

ARTICLE FIVE

COVENANTS

Section 5.1. Covenants of the Authority. The Authority will do the following so long as any amounts may be drawn hereunder or any Obligations remain outstanding under this Agreement, unless the Lender shall otherwise consent in writing:

(a) *Reports and Other Information.* The Authority will furnish, or cause to be furnished, at the Authority's expense to the Lender:

(i) As soon as possible and in any event within five (5) Business Days after the knowledge (actual or constructive) or notice of occurrence of any Event of Default, a statement of the Authorized Authority Representative setting forth details of such Event of Default and the action that the Authority proposes to take with respect thereto;

(ii) As soon as available and in any event within two hundred seventy (270) days after the end of each Fiscal Year of the Authority, LVMWD and TWSD, a copy of the audited financial statements of the Authority, LVMWD and TWSD for such year, including a balance sheet of the Authority, LVMWD and TWSD as at the end of such Fiscal Year and the related statements of revenues, expenses and changes in fund balances and statement of cash flows, also including, without limitation, calculation of the rate covenants referenced in Sections 5.1(t), 6.1(s) and 6.1(v) hereof, all in reasonable detail and reported on by a firm of nationally recognized independent certified public accountants, and the report of such firm of independent certified public accountants shall state, without qualification, that such financial statements present fairly the financial position of the Authority, LVMWD

and TWSD as of the end of such Fiscal Year, the results of operations, the changes in fund balances and cash flows of the Authority, LVMWD and TWSD for such Fiscal Year then ended in conformity with generally accepted accounting principles;

(iii) Simultaneously with the delivery of each set of financial statements referred to in clause (ii) above, a certificate of an Authorized Authority Representative stating whether there exists on the date of such certificate any Event of Default or Default and, if any Event of Default or Default then exists, setting forth the details thereof and the action that the Authority is taking or proposes to take with respect thereto;

(iv) As soon as practicable and in any event within ten (10) Business Days after the Authority obtains actual knowledge of: (A) any litigation, arbitration or governmental proceeding pending against the Authority that challenges the Authority's ability to perform its obligations under this Agreement and/or the other Related Documents; or (B) any other event or condition that would prevent or is reasonably likely to prevent the Authority from performing its obligations under this Agreement and/or the other Related Documents, in each case a statement of the Authorized Authority Representative setting forth details describing the same and the steps being taken with respect thereto;

(v) As soon as practicable, notice of any disclosure documents publicly distributed in connection with any issue of Payment Agreement Parity Debt;

(vi) As soon as practicable, notice of any change in, or the withdrawal of, any Rating by any Rating Agency;

(vii) As soon as practicable and in any event within sixty (60) days after the end of each Fiscal Year of the Authority, LVMWD and TWSD, the annual budget of the Authority, LVMWD and TWSD; and

(viii) From time to time, such additional information regarding the financial position, results of operations, business or prospects of the Authority as the Lender may reasonably request.

(b) *Books and Records; Inspections.* The Authority will keep proper books of record and account with respect to the Joint System in which full and correct entries shall be made of assets and liabilities, financial transactions and business of the Authority in conformity with generally accepted accounting principles. The Authority will upon reasonable notice permit any Person designated by the Lender in writing to visit any of the properties of the Authority, and to examine the books and financial records of the Authority relating to the Joint System and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the Authority relating to the Authority with the principal officers of the Authority all at such reasonable times during normal business hours and as often as the Lender may reasonably request.

(c) *Maintain Existence.* The Authority shall will (i) preserve, renew, and maintain in full force and effect its legal existence as a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California, (ii) take all reasonable action to maintain all other rights, privileges, permits, licenses, and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect, and (iii) preserve or renew all of its registered patents, trademarks, trade names, and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect. The Authority shall not engage in any material line of business substantially different from those lines of business conducted by the Authority on the Closing Date or any business substantially related or incidental thereto.

(d) *Compliance with Laws.* The Authority will comply with the requirements of all laws, rules, regulations and orders of any Governmental Authority having jurisdiction over the Authority and/or the Joint System (including, without limitation, environmental laws, all Anti-Corruption Laws, Anti-Money Laundering Laws in all respects and applicable Sanctions), noncompliance with which would materially adversely affect the ability of the Authority to perform its obligations under this Agreement and the other Related Documents.

(e) *Compliance with Agreements.* The Authority will observe and perform all of its obligations under this Agreement and the other Related Documents.

(f) *Incorporation of Covenants by Reference.* The Authority agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in each of the Related Documents to which it is a party, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Lender and shall be enforceable against the Authority. To the extent that any such incorporated provision permits the Authority or any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the Authority or any other party, for purposes of this Agreement, such provision shall be complied with unless it is specifically waived by the Lender in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Lender which shall only be evidenced by the written approval by the Lender of the same. No termination or amendment to such covenants and agreements or defined terms or release of the Authority with respect thereto made pursuant to the Related Documents, shall be effective to terminate or amend such covenants and agreements and defined terms or release the Authority with respect thereto in each case as incorporated by reference herein without the prior written consent of the Lender. Notwithstanding any termination or expiration of any of the Related Documents, the Authority shall continue to observe such incorporated covenants therein contained for the benefit of the Lender until the termination of this Agreement and the payment in full of all Obligations. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be

limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein. In the event of a conflict between the covenants and agreements set forth in this Section 5.1 (other than the incorporated provisions) and the incorporated provisions, the covenants and agreements set forth in the other provisions of Section 5.1 shall prevail.

(g) *Related Documents.* The Authority will not amend, supplement or otherwise modify, or agree to the amendment, modification or termination of, any of the Related Documents.

(h) *Payment of Obligations.* The Authority shall pay and discharge, unless refinanced or extended, as the same become due and payable, all its obligations and liabilities, including (i) all tax liabilities, assessments, and governmental charges or levies upon it or its properties or assets, if any, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Authority (ii) all lawful claims that, if unpaid, would by law become a Lien upon its property, and (iii) all Debt, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Debt.

(i) *Alternate Provider.* The Authority agrees that any termination of the Commitment and this Agreement as a result of the provision of any alternate credit facility will require, as a condition thereto, that the Authority or the issuer of the alternate credit facility will provide funds on the date of such termination or provision, which funds will be sufficient to pay in full at the time of termination of the Commitment all Obligations due to the Lender hereunder.

(j) *Most Favored Nations.* In the event that the Authority has or shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement which such Bank Agreement provides such Person with a shorter amortization period than what is set forth in Section 2.22(b) hereof, different or more restrictive covenants, different or additional events of default and/or greater rights and remedies than are provided to the Lender in this Agreement, the Authority shall provide the Lender with a copy of each such Bank Agreement and such shorter amortization period, different or more restrictive covenants, different or additional events of default and/or greater rights and remedies shall automatically be deemed to be incorporated into this Agreement and the Lender shall have the benefits of such shorter amortization period, different or more restrictive covenants, different or additional events of default and/or greater rights and remedies as if specifically set forth herein. Notwithstanding anything in this Section 5.1(j) to the contrary, clause (c) of the defined term “Event of Default” as set forth in the State Loan Agreement shall not be incorporated into this Agreement pursuant to this Section 5.1(j).

(k) *Additional Debt.* The Authority shall not, not shall it permit any Person to, issue any Debt secured by the Revenues which is senior to the lien securing the Note and other Obligations. The Authority shall not, not shall it permit any Person to, issue any Debt secured by Purchaser Revenues which is senior to the lien securing the Project Bonds

pursuant to any Payment Agreement. The Authority shall not, nor shall it permit any other Person to, issue or incur any additional Debt unless (i) such Debt is issued in accordance with the terms of the Payment Agreements and (ii) after the issuance or incurrence of such Debt (a) no Default or Event of Default shall have occurred as a result of the issuance or incurrence of such Debt and (b) the issuance or incurrence of such Debt could reasonably be expected to result in a Material Adverse Effect. The Authority shall not issue any Debt which is not secured by or payable from Revenues.

(l) *Offering Documents.* Except as may be required by law (including, but not limited to, federal and state securities laws), the Authority shall not make reference to the Lender in any offering document without the Lender's prior written consent thereto (other than references to the name of the Lender solely in the Lender's capacity as the credit provider with respect to the Note). Except as may be required by law (including, but not limited to, federal and state securities laws), the Authority shall not use the Lender's name (other than references to the name of the Lender solely in the Lender's capacity as the credit provider with respect to the Note) in any published materials (other than the Authority's staff reports, annual statements, audited financial statements, rating agency presentations) without the prior written consent of the Lender.

(m) *Use of Proceeds.* The proceeds of the Loans and Term Loans will be expended in the manner set forth in the Installment Purchase Agreement and in not in violation of any applicable law.

(n) *Ranking of Obligations.* The Authority shall not take any action that would result in the Obligations not ranking at least *pari passu* in right of payment from Revenues with the Note and all Installment Purchase Agreement Parity Debt.

(o) *Investments.* The Authority shall not, directly or indirectly, invest in instruments and securities other than those permitted by, and in accordance with **[California Government Code Sections 53600 to 53609]** or the Related Documents. The Authority will not permit the Authority to encumber its cash position nor schedule the interest payment dates and maturities of its investments in a manner which impedes, hinders or interferes with the availability of funds to meet the Authority's expected cash needs.

(p) *Debt Service.* Notwithstanding anything in the Payment Agreements to the contrary, if any Term Loan is outstanding hereunder or if the principal amount of the Loans or Term Loans are due and payable in accordance pursuant to Sections 2.3, 2.8, 2.22 or 6.2 hereof, for purposes of Section 6 of each Payment Agreement, (A) the Authority shall not determine, or allow any other Person to determine, that the principal amount of the Note or any other Obligations to be "Excluded Principal" for purposes of any Payment Agreement and (B) (1) with respect to the first proviso in the term "Debt Service" in each Payment Agreement, the Authority shall instead use the applicable interest rates hereunder when determining "Debt Service" for the Note and other Obligations and (2) with respect to the second proviso in the term "Debt Service" in each Payment Agreement, the Authority

shall instead use the amount of principal payable hereunder when determining “Debt Service” for the Note and other Obligations.

(q) *Reserved.*

(r) *Payment of Taxes, Etc.* The Authority will pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Authority on account of the Joint System or any portion thereof and which, if unpaid, might impair the security of the Note, when the same shall become due, but nothing herein contained shall require the Authority to pay any such tax, assessment or charge so long as it shall in good faith contest the validity thereof. The Authority will duly observe and conform to all valid material requirements of any Governmental Authority relative to the Joint System or any part thereof.

(s) *Operation and Maintenance of Joint System.* The Authority will operate, maintain and preserve the Joint System in good repair and working order in conformity with standards customarily followed for systems of like size and character. The Authority will from time to time make necessary and proper repairs, renewals, replacements and substitutions to the properties of the Joint System, so that business carried on in connection with the Joint System shall and can be conducted in an efficient and economical manner, and will operate the Joint System in an efficient and economical manner. The Authority shall not use the Joint System to conduct any business other than that which is lawfully permitted.

(t) *Amounts of Rates and Charges.* To the extent permitted by law, the Authority hereby covenants to establish, maintain and collect rates and charges with respect to the Joint System sufficient to pay all Parity Debt, the Note and all Obligations due and owing hereunder.

(u) *Maintenance of Insurance.* The Authority shall keep the Joint System insured with insurance companies believed by the Authority to be capable of performing their obligations under the respective insurance policies issued by such insurance companies to the Authority (as determined in its reasonable discretion) in conformity with standards customarily followed for systems of like size and character.

(v) *Sale or Other Disposition of Property.* The Authority shall not sell or otherwise dispose of any property essential to the proper operation of the Joint System. The Authority will not enter into any lease or agreement which impairs or impedes the operation of the Joint System or which otherwise impairs or impedes the rights of the or the Lender. Subject to the preceding sentence, nothing contained herein shall prevent the Authority from entering into sale and leaseback agreements pursuant to which the Authority may acquire the use of property subject to the terms of such sale and leaseback agreements.

(w) *Liens.* The Authority shall not, directly or indirectly, incur, create or permit to exist any Lien on all or any portion of the Revenues that would affect the priority of Liens in existence on the Closing Date.

(x) *Further Assurances.* The Authority agrees to do such further acts and things and to execute and deliver to the Lender such additional assignments, agreements, powers and instruments as the Lender may reasonably require or reasonably deem advisable to carry into effect the purposes of this Agreement and the Fee Agreement or to better assure and confirm to the Lender its rights, powers and remedies hereunder and under the Related Documents or to confirm this Agreement, and the other Related Documents, to carry out the purpose and intent hereof and thereof. At any time, and from time to time, upon request by the Lender, the Authority will, at the Authority's expense, (i) correct any defect, error or omission which may be discovered in the form or content of any of the Related Documents, and (ii) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates, and other documents as may, in the opinion of the Lender, be necessary or desirable in order to complete, perfect or continue and preserve the Lien of the Installment Purchase Agreement and hereof. Upon any failure by the Authority to do so, the Lender may make, execute and record any and all such instruments, certificates and other documents for and in the name of the Authority, all at the sole expense of the Authority, and the Authority hereby appoints the Lender the agent and attorney-in-fact of the Authority to do so, this appointment being coupled with an interest and being irrevocable.

(y) *Immunity.* To the fullest extent permitted by applicable law, with respect to its obligations arising under this Agreement or any other Related Document, the Authority irrevocably agrees that it will not assert or claim any immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) from (i) any action, suit or other proceeding arising under or relating to this Agreement or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or (iii) execution or enforcement of any judgment to which it or its revenues might otherwise be entitled in any such action, suit or other proceeding, and the Authority hereby irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself, the Revenues (irrespective of their use or intended use), all such immunity.

(z) *Swap Contracts.* Without the prior written consent of the Lender, the Authority shall not enter into any Swap Contracts relating to Debt wherein any termination payments thereunder are senior to or on parity with the payment of any Obligation.

Section 5.2. Covenants of the Issuer. The Issuer will do the following so long as any amounts may be drawn hereunder or any Obligations remain outstanding under this Agreement, unless the Lender shall otherwise consent in writing:

(a) *Reports and Other Information.* The Issuer will furnish, or cause to be furnished, at the Issuer's expense to the Lender:

(i) As soon as possible and in any event within five (5) Business Days after the knowledge (actual or constructive) or notice of occurrence of any Event of Default, a statement of the Authorized Issuer Representative setting forth details of such Event of Default and the action that the Issuer proposes to take with respect thereto;

(ii) As soon as available and in any event within two hundred seventy (270) days after the end of each Fiscal Year of the Issuer, a copy of the audited financial statements of the Issuer for such year, including a balance sheet of the Issuer as at the end of such Fiscal Year and the related statements of revenues, expenses and changes in fund balances and statement of cash flows, also including, without limitation, calculation of the rate covenant referenced in Sections 5.2(t) hereof, all in reasonable detail and reported on by a firm of nationally recognized independent certified public accountants, and the report of such firm of independent certified public accountants shall state, without qualification, that such financial statements present fairly the financial position of the Issuer as of the end of such Fiscal Year, the results of operations, the changes in fund balances and cash flows of the Issuer for such Fiscal Year then ended in conformity with generally accepted accounting principles;

(iii) Simultaneously with the delivery of each set of financial statements referred to in clause (ii) above, a certificate of an Authorized Issuer Representative stating whether there exists on the date of such certificate any Event of Default or Default and, if any Event of Default or Default then exists, setting forth the details thereof and the action that the Issuer is taking or proposes to take with respect thereto;

(iv) As soon as practicable and in any event within ten (10) Business Days after the Issuer obtains actual knowledge of: (A) any litigation, arbitration or governmental proceeding pending against the Issuer that challenges the Issuer's ability to perform its obligations under this Agreement and/or the other Related Documents; or (B) any other event or condition that would prevent or is reasonably likely to prevent the Issuer from performing its obligations under this Agreement and/or the other Related Documents, in each case a statement of the Authorized Issuer Representative setting forth details describing the same and the steps being taken with respect thereto;

(v) As soon as practicable, notice of any disclosure documents publicly distributed in connection with any issue of Parity Debt;

(vi) As soon as practicable, notice of any change in, or the withdrawal of, any Rating by any Rating Agency;

(vii) As soon as practicable and in any event within sixty (60) days after the end of each Fiscal Year of the Issuer, the annual budget of the Issuer; and

(viii) From time to time, such additional information regarding the financial position, results of operations, business or prospects of the Issuer as the Lender may reasonably request.

(b) *Books and Records; Inspections.* The Issuer will keep proper books of record and account in which full and correct entries shall be made of assets and liabilities, financial transactions and business of the Issuer in conformity with generally accepted accounting principles. The Issuer will upon reasonable notice permit any Person designated by the Lender in writing to visit any of the properties of the Issuer, and to examine the books and financial records of the Issuer and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the Issuer relating to the Issuer with the principal officers of the Issuer all at such reasonable times during normal business hours and as often as the Lender may reasonably request.

(c) *Maintain Existence.* The Issuer shall will (i) preserve, renew, and maintain in full force and effect its legal existence as a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California, (ii) take all reasonable action to maintain all other rights, privileges, permits, licenses, and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect, and (iii) preserve or renew all of its registered patents, trademarks, trade names, and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect. The Issuer shall not engage in any material line of business substantially different from those lines of business conducted by the Issuer on the Closing Date or any business substantially related or incidental thereto.

(d) *Compliance with Laws.* The Issuer will comply with the requirements of all laws, rules, regulations and orders of any Governmental Authority having jurisdiction over the Issuer (including, without limitation, environmental laws, all Anti-Corruption Laws, Anti-Money Laundering Laws in all respects and applicable Sanctions), noncompliance with which would materially adversely affect the ability of the Issuer to perform its obligations under this Agreement and the other Related Documents.

(e) *Compliance with Agreements.* The Issuer will observe and perform all of its obligations under this Agreement and the other Related Documents.

(f) *Incorporation of Covenants by Reference.* The Issuer agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in each of the Related Documents to which it is a party, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Lender and shall be enforceable against the Issuer. To the extent that any such incorporated provision permits the Issuer or any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the Issuer or any other party, for purposes of this Agreement, such provision

shall be complied with unless it is specifically waived by the Lender in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Lender which shall only be evidenced by the written approval by the Lender of the same. No termination or amendment to such covenants and agreements or defined terms or release of the Issuer with respect thereto made pursuant to the Related Documents, shall be effective to terminate or amend such covenants and agreements and defined terms or release the Issuer with respect thereto in each case as incorporated by reference herein without the prior written consent of the Lender. Notwithstanding any termination or expiration of any of the Related Documents, the Issuer shall continue to observe such incorporated covenants therein contained for the benefit of the Lender until the termination of this Agreement and the payment in full of all Obligations. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein. In the event of a conflict between the covenants and agreements set forth in this Section 5.2 (other than the incorporated provisions) and the incorporated provisions, the covenants and agreements set forth in the other provisions of Section 5.2 shall prevail.

(g) *Related Documents.* The Issuer will not amend, supplement or otherwise modify, or agree to the amendment, modification or termination of, any of the Related Documents.

(h) *Payment of Obligations.* The Issuer shall pay and discharge, unless refinanced or extended, as the same become due and payable, all its obligations and liabilities, including (i) all tax liabilities, assessments, and governmental charges or levies upon it or its properties or assets, if any, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Issuer (ii) all lawful claims that, if unpaid, would by law become a Lien upon its property, and (iii) all Debt, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Debt.

(i) *Alternate Provider.* The Issuer agrees that any termination of the Commitment and this Agreement as a result of the provision of any alternate credit facility will require, as a condition thereto, that the Issuer or the issuer of the alternate credit facility will provide funds on the date of such termination or provision, which funds will be sufficient to pay in full at the time of termination of the Commitment all Obligations due to the Lender hereunder.

(j) *Most Favored Nations.* In the event that the Issuer has or shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement which such Bank Agreement provides such Person with a shorter amortization period than what is set forth in Section 2.22(b) hereof, different or more restrictive covenants, different or additional events of default and/or greater rights and remedies than are provided to the Lender in this Agreement, the Issuer shall provide the Lender with a copy of each such Bank Agreement

and such shorter amortization period, different or more restrictive covenants, different or additional events of default and/or greater rights and remedies shall automatically be deemed to be incorporated into this Agreement and the Lender shall have the benefits of such shorter amortization period, different or more restrictive covenants, different or additional events of default and/or greater rights and remedies as if specifically set forth herein. Notwithstanding anything in this Section 5.2(j) to the contrary, clause (c) of the defined term “Event of Default” as set forth in the State Loan Agreement shall not be incorporated into this Agreement pursuant to this Section 5.2(j).

(k) *Additional Debt.* The Issuer shall not, not shall it permit any Person to, issue any Debt secured by the Revenues which is senior to the lien securing the Note and other Obligations. The Issuer shall not, not shall it permit any Person to, issue any Debt secured by Purchaser Revenues which is senior to the lien securing the Project Bonds pursuant to any Payment Agreement. The Issuer shall not, nor shall it permit any other Person to, issue or incur any additional Debt unless (i) such Debt is issued in accordance with the terms of the Payment Agreements and (ii) after the issuance or incurrence of such Debt (a) no Default or Event of Default shall have occurred as a result of the issuance or incurrence of such Debt and (b) the issuance or incurrence of such Debt could reasonably be expected to result in a Material Adverse Effect. The Issuer shall not issue any Debt which is not secured by or payable from Purchaser Revenues or the Net Revenues.

(l) *Offering Documents.* Except as may be required by law (including, but not limited to, federal and state securities laws), the Issuer shall not make reference to the Lender in any offering document without the Lender’s prior written consent thereto (other than references to the name of the Lender solely in the Lender’s capacity as the credit provider with respect to the Note). Except as may be required by law (including, but not limited to, federal and state securities laws), the Issuer shall not use the Lender’s name (other than references to the name of the Lender solely in the Lender’s capacity as the credit provider with respect to the Note) in any published materials (other than the Issuer’s staff reports, annual statements, audited financial statements, rating agency presentations) without the prior written consent of the Lender.

(m) *Use of Proceeds.* The proceeds of the Loans and Term Loans will be expended in the manner set forth in the Installment Purchase Agreement and in not in violation of any applicable law.

(n) *Ranking of Obligations.* The Issuer shall not take any action that would result in the Obligations not ranking at least *pari passu* in right of payment from Revenues with the Note and all Installment Purchase Agreement Parity Debt.

(o) *Investments.* The Issuer shall not, directly or indirectly, invest in instruments and securities other than those permitted by, and in accordance with **[California Government Code Sections 53600 to 53609]** or the Related Documents. The Issuer will not permit the Issuer to encumber its cash position nor schedule the interest payment dates and maturities of its investments in a manner which impedes, hinders or interferes with the availability of funds to meet the Issuer’s expected cash needs.

(p) *Debt Service.* Notwithstanding anything in the Payment Agreements to the contrary, if any Term Loan is outstanding hereunder or if the principal amount of the Loans or Term Loans are due and payable in accordance pursuant to Sections 2.3, 2.8, 2.22 or 6.2 hereof, for purposes of Section 6 of each Payment Agreement, (A) the Issuer shall not determine, or allow any other Person to determine, that the principal amount of the Note or any other Obligations to be “Excluded Principal” for purposes of any Payment Agreement and (B) (1) with respect to the first proviso in the term “Debt Service” in each Payment Agreement, the Issuer shall instead use the applicable interest rates hereunder when determining “Debt Service” for the Note and other Obligations and (2) with respect to the second proviso in the term “Debt Service” in each Payment Agreement, the Issuer shall instead use the amount of principal payable hereunder when determining “Debt Service” for the Note and other Obligations.

(q) *Reserved.*

(r) *Payment of Taxes, Etc.* The Issuer will pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Issuer on account of the Joint System or any portion thereof and which, if unpaid, might impair the security of the Note, when the same shall become due, but nothing herein contained shall require the Issuer to pay any such tax, assessment or charge so long as it shall in good faith contest the validity thereof. The Issuer will duly observe and conform to all valid material requirements of any Governmental Authority relative to the Joint System or any part thereof.

(s) *Reserved.*

(t) *Reserved.*

(u) *Reserved.*

(v) *Reserved.*

(w) *Liens.* The Issuer shall not, directly or indirectly, incur, create or permit to exist any Lien on all or any portion of the Revenues that would affect the priority of Liens in existence on the Closing Date.

(x) *Incorporation of Covenants by Reference.* The Issuer agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in each of the Related Documents to which it is a party, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Lender and shall be enforceable against the Issuer. To the extent that any such incorporated provision permits the Issuer or any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the Issuer or any other party, for purposes of this Agreement, such provision

shall be complied with unless it is specifically waived by the Lender in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Lender which shall only be evidenced by the written approval by the Lender of the same. No termination or amendment to such covenants and agreements or defined terms or release of the Issuer with respect thereto made pursuant to the Related Documents, shall be effective to terminate or amend such covenants and agreements and defined terms or release the Issuer with respect thereto in each case as incorporated by reference herein without the prior written consent of the Lender. Notwithstanding any termination or expiration of any of the Related Documents, the Issuer shall continue to observe such incorporated covenants therein contained for the benefit of the Lender until the termination of this Agreement and the payment in full of all Obligations. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

(y) *Further Assurances.* The Issuer agrees to do such further acts and things and to execute and deliver to the Lender such additional assignments, agreements, powers and instruments as the Lender may reasonably require or reasonably deem advisable to carry into effect the purposes of this Agreement and the Fee Agreement or to better assure and confirm to the Lender its rights, powers and remedies hereunder and under the Related Documents or to confirm this Agreement, and the other Related Documents, to carry out the purpose and intent hereof and thereof. At any time, and from time to time, upon request by the Lender, the Issuer will, at the Issuer's expense, (i) correct any defect, error or omission which may be discovered in the form or content of any of the Related Documents, and (ii) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates, and other documents as may, in the opinion of the Lender, be necessary or desirable in order to complete, perfect or continue and preserve the Lien of the Installment Purchase Agreement and hereof. Upon any failure by the Issuer to do so, the Lender may make, execute and record any and all such instruments, certificates and other documents for and in the name of the Issuer, all at the sole expense of the Issuer, and the Issuer hereby appoints the Lender the agent and attorney-in-fact of the Issuer to do so, this appointment being coupled with an interest and being irrevocable.

(z) *Immunity.* To the fullest extent permitted by applicable law, with respect to its obligations arising under this Agreement or any other Related Document, the Issuer irrevocably agrees that it will not assert or claim any immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) from (i) any action, suit or other proceeding arising under or relating to this Agreement or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or (iii) execution or enforcement of any judgment to which it or its revenues might otherwise be entitled in any such action, suit or other proceeding, and the Issuer hereby irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself, the Revenues (irrespective of their use or intended use), all such immunity.

(aa) *Ratings.* (i) Within six (6) months of the Closing Date, the Issuer, at its expense, shall obtain, or cause to be obtained, from at least one Rating Agency, either (A) a rating specifically assigned to Payment Agreement Parity Debt (which may include a rating on the WIFIA Loan Agreement) or (B) a long-term issuer credit rating on the Issuer.

(ii) From and after the date either such rating in the immediately preceding clause (i) is obtained, the Issuer (A) shall maintain either (1) a rating specifically assigned to Payment Agreement Parity Debt (which may include a rating on the WIFIA Loan Agreement) or (2) a long-term issuer credit rating on the Issuer and (B) shall not at any time withdraw any such long term unenhanced rating on its Payment Agreement Parity Debt or any such issuer credit rating from any Rating Agency if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement or reduce the Applicable Spread.

(bb) *Swap Contracts.* Without the prior written consent of the Lender, the Issuer shall not enter into any Swap Contracts relating to Debt wherein any termination payments thereunder are senior to or on parity with the payment of any Obligation.

ARTICLE SIX

DEFAULTS

Section 6.1. Events of Default and Remedies. If any of the following events shall occur, each such event shall be an “Event of Default”:

(a) The Authority or the Issuer shall fail to pay when due (i) the principal of any Loan or Term Loan or the Note; (ii) the interest on any Loan or Term Loan or the Note; or (iii) any other amount payable hereunder or under the Fee Agreement and, solely with respect to clause (iii) hereof;

(b) (i) The Authority shall default (A) in the due performance or observance of any term, covenant or agreement contained in Section 5.1(a), (b), (c)(i), (e), (f), (g), (h), (k), (l), (m), (n), (p), (t), (v), (w), (y) or (z) hereof; or (B) in the due performance or observance of any other term, covenant or agreement contained in this Agreement or any other Related Document and such default shall remain unremedied for a period of thirty (30) days after the occurrence thereof; or (ii) the Issuer shall default (A) in the due performance or observance of any term, covenant or agreement contained in Section 5.2(a), (b), (c)(i), (e), (f), (g), (h), (k), (l), (m), (n), (p), (t), (v), (w), (y), (z) or (aa) hereof; or (B) in the due performance or observance of any other term, covenant or agreement contained in this Agreement or any other Related Document and such default shall remain unremedied for a period of thirty (30) days after the occurrence thereof;

(c) Any representation, warranty, certification or statement made or deemed made by the Authority or the Issuer in this Agreement, any other Related Document or in any certificate, financial statement or other document delivered to the Lender pursuant to

this Agreement shall be incorrect or untrue in any material respect when made or deemed to have been made or delivered;

(d) (i) The Authority or the Issuer shall (A) default on the payment of the principal of or interest on any Payment Agreement Parity Debt, beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Payment Agreement Parity Debt was created or incurred; or (B) default in the observance or performance of any agreement or condition relating to any Payment Agreement Parity Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to permit or cause (determined without regard to whether any notice is required) any such Payment Agreement Parity Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Payment Agreement Parity Debt or to otherwise become due prior to its stated maturity; or (ii) the Authority or the Issuer shall (A) default on the payment of the principal of or interest on any Debt (other than Payment Agreement Parity Debt) aggregating in excess of \$1,000,000, beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Debt was created or incurred; or (B) default in the observance or performance of any agreement or condition relating to any Debt (other than Payment Agreement Parity Debt) aggregating in excess of \$1,000,000 or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to permit or cause (determined without regard to whether any notice is required) any such Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Debt or to otherwise become due prior to its stated maturity;

(e) The Authority, the Issuer, LVMWD or TWSD shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) become insolvent or shall not pay, or be unable to pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its respective Property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any corporate action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 6.1(f) of this Agreement;

(f) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the Authority, the Issuer, LVMWD or TWSD or any substantial part of

its Property, or a proceeding described in Section 6.1(e)(v) shall be instituted against the Authority, the Issuer, LVMWD or TWSD and such proceeding continues undischarged or any such proceeding continues undismissed or unstayed for a period of thirty (30) or more days;

(g) (i) A court of competent jurisdiction or other governmental authority with appropriate jurisdiction over the Authority, the Issuer, LVMWD or TWSD shall enter a final and non-appealable judgment, order or decree declaring any (x) obligation of the Authority or the Issuer contained in this Agreement or any Related Document or (y) Related Document, or material provision thereof, to be invalid, not binding or unenforceable against the Authority or the Issuer; (ii) any action is taken by the Authority, the Issuer, LVMWD or TWSD or any officer of the Authority, the Issuer, LVMWD or TWSD, respectively, to contest the validity or enforceability of this Agreement, any other Related Document or the Authority, the Issuer, LVMWD or TWSD or any officer of the Authority or the Issuer, as applicable, repudiates its obligations under any Related Document or any provision thereof or with respect to any Debt of the Authority or the Issuer secured by or payable from Purchaser Revenues or Revenues senior to or on a parity with the Obligations, or the Authority, the Issuer, LVMWD or TWSD shall seek an adjudication that this Agreement, any other Related Document is not valid and binding; or (iii) any material provision of this Agreement or any other Related Document, other than a provision described in this paragraph (g), shall at any time for any reason cease to be valid and binding on the Authority, the Issuer, LVMWD or TWSD or shall be declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the Authority, the Issuer, LVMWD or TWSD;

(h) A debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt of the Authority, the Issuer, LVMWD or TWSD by the Authority, the Issuer, LVMWD or TWSD or any Governmental Authority with appropriate jurisdiction;

(i) Dissolution or termination of the existence of the Authority, the Issuer, LVMWD or TWSD;

(j) Any final, unappealable judgment or judgments, writ or writs or warrant or warrants of attachment, order or decree or any similar process or processes, in an aggregate amount not less than \$10,000,000 shall be entered or filed against LVMWD, TWSD, the Authority or the Issuer or against any of their respective Property and remain unpaid, unvacated, unbonded or unstayed for a period of sixty (60) days;

(k) Any of the funds or accounts established pursuant to Installment Purchase Agreement or the Payment Agreements or any funds or accounts on deposit, or otherwise to the credit of, such funds or accounts shall become subject to any stay, writ, judgment, warrant of attachment, execution or similar process by any of the creditors of the Authority or the Issuer relating to an obligation or obligations of the Authority or the Issuer, as applicable, in excess of \$10,000,000 and such stay, writ, judgment, warrant of attachment,

execution or similar process shall not be released, vacated or stayed within fifteen (15) days after its issue or levy;

(l) Any pledge or security interest created by this Agreement or any Related Document to secure any amount due by the Authority or the Issuer under this Agreement, the Fee Agreement or the Note shall fail to be fully enforceable with the priority required hereunder or thereunder;

(m) (i) Any event which materially and adversely affects the ability of the Authority or the Issuer to observe and perform its obligations under this Agreement or the Fee Agreement shall have occurred and be continuing, (ii) any event which materially and adversely affects the ability of the Authority or the Issuer to observe and perform its obligations under any Related Document shall have occurred and be continuing, (iii) any Related Document shall be amended and such amendment materially and adversely affects the ability of the Authority or the Issuer to observe and perform its obligations under this Agreement or the Fee Agreement or (iv) any event which materially and adversely affects the ability of LVMWD or TWSD to observe and perform its obligations under its respective Payment Agreement shall have occurred and be continuing;

(n) An “event of default” (or similar event) shall have occurred under any of the Related Documents;

(o) There shall be appointed or designated with respect to LVMWD, TWSD, the Authority or the Issuer, an entity such as an organization, board, commission, authority, agency or body to declare a financial emergency or similar state of financial distress with respect to it or there shall be declared by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it;

(p) The (i) downgrade by any Rating Agency of (A) its long-term unenhanced rating with respect to any Payment Agreement Parity Debt or (B) its long-term issuer credit rating on the Issuer, in any case, to a level below “Baa3” (or its equivalent) in the case of Moody’s, “BBB-” (or its equivalent) in the case of S&P or “BBB-” (or its equivalent) in the case of Fitch or (ii) suspension or withdrawal by any Rating Agency of its respective long-term unenhanced rating on any Payment Agreement Parity Debt or issuer credit rating on the Issuer for credit-related reasons.

(q) (i) Any Project Participant shall default in the making of any payment of its Allocated Share when due to the Issuer under (and as defined in) its respective Payment Agreement or (ii) the Authority shall have failed to make written demand upon and notify a Project Participant within one (1) Business Day of any failure of such Project Participant to make any payment in full when due under the related Payment Agreement;

(r) (i) LVMWD shall (A) default on the payment of the principal of or interest on any LVMWD Revenues Debt, beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such LVMWD Revenues Debt

was created or incurred; or (B) default in the observance or performance of any agreement or condition relating to any LVMWD Revenues Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to permit or cause (determined without regard to whether any notice is required) any such LVMWD Revenues Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such LVMWD Revenues Debt or to otherwise become due prior to its stated maturity;

(s) LVMWD shall failed to comply with Section 6 of the LVMWD Payment Agreement as modified by Sections 5.1(p) and 5.2(p) hereof, as applicable;

(t) LVMWD shall have issued or incurred any LVMWD Revenues Debt without satisfying the requirements set forth in Section 2(b) of the LVMWD Payment Agreement;

(u) (i) TWSD shall (A) default on the payment of the principal of or interest on any TWSD Revenues Debt, beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such TWSD Revenues Debt was created or incurred; or (B) default in the observance or performance of any agreement or condition relating to any TWSD Revenues Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to permit or cause (determined without regard to whether any notice is required) any such TWSD Revenues Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such TWSD Revenues Debt or to otherwise become due prior to its stated maturity;

(v) TWSD shall failed to comply with Section 6 of the TWSD Payment Agreement as modified by Sections 5.1(p) and 5.2(p) hereof, as applicable; or

(w) TWSD shall have issued or incurred any TWSD Revenues Debt without satisfying the requirements of Section 2(b) of the TWSD Payment Agreement.

Section 6.2. Remedies. Upon the occurrence of any Event of Default, the Lender may exercise any one or more of the following rights and remedies in addition to any other remedies herein or by law provided:

(a) declare all Obligations to be immediately due and payable, whereupon the same shall be immediately due and payable without any further notice of any kind, which notice is hereby waived by the Authority or the Issuer; *provided, however*, that in the case of an Event of Default described in Section 6.1(e), 6.1(f) or 6.1(h) hereof, such acceleration shall automatically occur (unless such automatic acceleration is waived by the Lender in writing); or

(b) give notice to the Authority or the Issuer that its obligation to make Loans and Term Loans hereunder is terminated (the Authority or the Issuer hereby acknowledge that upon the occurrence of an Event of Default described in Section 6.1(e), 6.1(f) or 6.1(h) hereof, the Lender's obligation to make Loans and Term Loans shall automatically terminate without the giving of any notice) with respect thereto; or

(c) pursue any rights and remedies it may have under the Related Documents;
or

(d) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of the Authority and/or the Issuer under the Related Documents, whether for specific performance of any agreement or covenant of the Authority or in aid of the execution of any power granted to the Lender in the Related Documents.

ARTICLE SEVEN

MISCELLANEOUS

Section 7.1. Amendments, Waivers, Etc. No amendment or waiver of any provision of this Agreement, or consent to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 7.2. Notices. All notices and other communications provided for hereunder (except as provided in Section 2.2(b) hereof) shall be in writing (including required copies) and sent by receipted hand delivery (including Federal Express or other receipted courier service), facsimile transmission, or regular mail, as follows:

(a)	if to the Authority:	Las Virgenes-Triunfo Joint Powers Authority c/o Las Virgenes Municipal Water District 4232 Las Virgenes Road Calabasas, California 91302-1994 Attention: Assistant General Manager Telephone: () _____ Telecopy: () _____

(b) If to the Issuer: Las Virgenes-Triunfo Public Financing Authority
c/o Las Virgenes Municipal Water District
4232 Las Virgenes Road
Calabasas, California 91302-1994
Attention: Assistant General Manager
Telephone: () _____
Telecopy: () _____

(c) if to the Lender, with respect to the Loans: Wells Fargo Municipal Capital Strategies, LLC

Attention:
Telephone:
Email:

(d) if to the Lender, with respect to all matters: _____
Attention:
Telephone:
Email:

With a copy to:

Attention:
Telephone:
Email:

or, as to each Person named above, at such other address as shall be designated by such Person in a written notice to the parties hereto. All such notices and other communications shall, when delivered, sent by facsimile transmission or mailed, be effective when deposited with the courier, sent by facsimile transmission or mailed respectively, addressed as aforesaid, except that Notices of Borrowings submitted to the Lender shall not be effective until received by the Lender.

Section 7.3. Survival of Covenants; Successors and Assigns. (a) All covenants, agreements, representations, and warranties made herein and in the certificates delivered pursuant hereto shall survive the making of any Loan and Term Loan hereunder and shall continue in full force and effect until the Commitment and this Agreement shall have terminated and all of the Obligations hereunder shall have been paid in full. Whenever in this Agreement any of the parties hereto is referred to, such reference shall, subject to the last sentence of this Section 7.3, be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the Authority and the Issuer which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Lender and the Noteholders, and their respective permitted successors, transferees and assigns as set forth herein. The Authority and the Issuer may not transfer their respective rights or obligations under this Agreement without the prior written consent of the Lender. Except as otherwise expressly permitted by this Section 7.3 and Section 7.18 hereof, neither the Lender nor any Noteholder may transfer its rights or obligations under this

Agreement or the Note without the prior written consent of the Authority and the Issuer. This Agreement is made solely for the benefit of the Authority, the Issuer and the Lender, and no other Person shall have any right, benefit or interest under or because of the existence of this Agreement.

(b) Notwithstanding the foregoing, the Lender and each Noteholder shall be permitted to grant to one or more financial institutions (each a “*Participant*”) a participation or participations in all or any part of the Lender’s or such Noteholder’s rights and benefits and obligations under this Agreement, the Note and the Commitment on a participating basis but not as a party to this Agreement (a “*Participation*”) without the consent of the Authority and the Issuer. In the event of any such grant by the Lender or a Noteholder of a Participation to a Participant, the Lender and such Noteholder shall remain responsible for the performance of its obligations hereunder, and the Authority and the Issuer shall continue to deal solely and directly with the Lender in connection with the Lender’s rights and obligations under this Agreement. The Authority and the Issuer agree that each Participant shall, to the extent of its Participation, be entitled to the benefits of this Agreement as if such Participant were the Lender or such Noteholder, *provided* that no Participant shall have the right to declare, or to take actions in response to, an Event of Default under Section 6.1 hereof; *provided further* that the Authority’s and the Issuer’s liability to any Participant shall not in any event exceed that liability which the Authority and the Issuer would owe to the Lender but for such participation.

(c) *Noteholders Generally.* (i) Each Noteholder may, in its sole discretion and in accordance with applicable law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Note and the Related Documents in accordance with the provisions of paragraph (ii) or (iii) of this subsection (c). Each Noteholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (b) of this Section 7.3. Each Noteholder may at any time pledge or assign a security interest subject to the restrictions of Section 7.18 hereof. Wells Fargo Municipal Capital Strategies, LLC shall be the Lender hereunder until such time as the Majority Noteholder designates an alternate Person to serve as the Lender hereunder by delivery of written notice to the Authority and the Issuer and such Person accepts and agrees to act as the Lender hereunder and under the Related Documents. The Majority Noteholder may so designate an alternate Person that is an owner of the Note to act as the Lender from time to time. Upon acceptance and notification thereof to the Authority and the Issuer, the successor to the Lender for such purposes shall thereupon succeed to and become vested with all of the rights, powers, privileges and responsibilities of the Lender, and Wells Fargo Municipal Capital Strategies, LLC or any other Person being replaced as the Lender shall be discharged from its duties and obligations as the Lender hereunder. Notwithstanding anything to the contrary set forth herein, Wells Fargo Municipal Capital Strategies, LLC may not assign its obligations to advance or make Loans or Term Loans pursuant to the terms of this Agreement without the prior written consent of the Authority and the Issuer (such consent not to be unreasonably withheld) and the Authority’s and the Issuer’s liability to any successor Lender or to any Noteholder shall not in any event exceed that liability which the Authority and the Issuer would have owed to Wells Fargo Municipal Capital Strategies, LLC but for any such assignment, sale or transfer, in whole or in part, of this Agreement, its interest in the Note or the Related Documents. In addition, if the Lender makes any Loan or Term Loan hereunder, the Lender has no present intent to assign or sell any such Loan or Term Loan and all or any portion of the Note relating thereto.

(ii) *Sales and Transfers by Noteholder to a Lender Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer to one or more transferees all or a portion of the Loans, the Term Loans and/or the Note to a Person that is (A) a Lender Affiliate or (B) a trust or other custodial arrangement established by the Lender or a Lender Affiliate, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act (each, a “*Lender Transferee*”). From and after the date of such sale or transfer, Wells Fargo Municipal Capital Strategies, LLC (and its successors) shall continue to have all of the rights of the Lender hereunder and under the other Related Documents as if no such transfer or sale had occurred; *provided, however*, that (x) no such sale or transfer referred to in clause (ii)(A) or (ii)(B) hereof shall in any way affect the obligations of the Lender hereunder, (y) the Authority and the Issuer shall be required to deal only with the Lender with respect to any matters under this Agreement and (z) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Lender shall be entitled to enforce the provisions of this Agreement against the Authority and the Issuer.

(iii) *Sales and Transfers by Noteholder to a Non-Lender Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer all or a portion of the Loans, the Term Loans and/or the Note to one or more transferees which are not Lender Transferees but each of which constitutes (A) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act and (B) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this clause (iii), of not less than \$5,000,000,000 (each a “*Non-Lender Transferee*”) all or a portion of the Note if (1) written notice of such sale or transfer, including that such sale or transfer is to a Non-Lender Transferee, together with addresses and related information with respect to the Non-Lender Transferee, shall have been given to the Authority, the Issuer and the Lender (if different than the Noteholder) by such selling Noteholder and Non-Lender Transferee and (2) the Non-Lender Transferee shall have delivered to the Authority, the Issuer and the selling Noteholder, an investment letter in substantially the form delivered by the Lender on the Closing Date (the “*Investor Letter*”); *provided, however*, that any such sale or transfer shall be in a minimum amount of \$250,000.

From and after the date the Authority, the Issuer and the selling Noteholder have received written notice and an executed Investor Letter for such Non-Lender Transferee, (A) the Non-Lender Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Noteholder hereunder and under the other Related Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Lender Transferee, and any reference to the assigning Noteholder hereunder and under the other Related Documents shall thereafter refer to such transferring Noteholder and to the Non-Lender Transferee to the extent of their respective interests, and (B) if the transferring Noteholder no longer owns the Note, then it shall relinquish its rights and be released from its obligations hereunder and under the Related Documents.

Section 7.4. Unconditional Obligations. The obligations of the Authority and the Issuer under this Agreement and the Fee Agreement shall be primary, absolute, independent,

unconditional and irrevocable and shall be paid and performed strictly in accordance with the terms of this Agreement and the Fee Agreement, including without limitation the following circumstances:

- (a) Any lack of validity or enforceability of the Related Documents or any other agreement or instrument relating to any of the above;
- (b) Any amendment or waiver of, or any consent to or departure from, any provision of any of the Related Documents, except for any waiver or consent granted by the Lender;
- (c) The existence of any claim, setoff, defense or other rights that the Authority and the Issuer may have at any time against the Lender or any other Person, whether in connection with this Agreement, the Related Documents or any unrelated transaction;
- (d) Any breach of contract or other dispute between the Authority and the Issuer and any Noteholder, the Lender or any other Person;
- (e) Any demand, statement or any other document presented hereunder proving to have been forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;
- (f) Payment by the Lender hereunder against presentation of a draft or certificate which does not comply strictly with the terms of this Agreement; or
- (g) The failure by the Lender to honor any Notice of Borrowing hereunder or to make any payment demanded hereunder on the grounds that the demand for such payment does not conform strictly to the terms and conditions of this Agreement.

Section 7.5. Liability of Lender; Indemnification. (a) (i) Except as provided in this Agreement, the Lender shall not be obligated to issue any further credits, to cure any defaults under any Related Document or otherwise, or in any other manner to extend any financial consideration or accommodation to the Authority and the Issuer.

(ii) The Lender shall not be deemed to have waived or released any of its rights or remedies (whether specified in or arising under this Agreement, the Fee Agreement or otherwise available to it by law or agreement) unless the Lender shall have signed a written waiver or release. Delay or failure to act on the Lender's part shall not constitute a waiver of or otherwise preclude enforcement of any of their rights and remedies. All of the Lender's rights and remedies shall be cumulative and may be exercised separately or concurrently. The Lender need not resort to any particular right or remedy before exercising or enforcing any other, and the Lender's resort to any right or remedy shall not preclude the exercise or enforcement of any other right or remedy.

(iii) Neither the Lender nor any of its officers, directors, employees or agents shall be liable or responsible for:

(A) The use that may be made of the Commitment or the Loans or Term Loans;

(B) The form, validity, sufficiency, accuracy or genuineness of documents, or of any endorsements thereon, even if such documents should prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged, so long as the Lender was not grossly negligent or guilty of willful misconduct as determined by a court of competent jurisdiction;

(C) Payment by the Lender against presentation of documents that do not comply strictly with the terms of this Agreement, including failure of any documents to bear any reference or adequate reference to this Agreement;

(D) The validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign this Agreement or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason;

(E) Errors, omissions, interruptions or delays in transmission or delivery of any messages by telex, mail, cable, telegraph, facsimile or otherwise, whether or not they have been in cipher, including any Notices of Borrowing under this Agreement;

(F) Errors in interpretation of technical terms; or

(G) Any consequences arising from causes beyond the control of the Lender, including, without limitation, any Government Acts;

provided that, notwithstanding anything in the preceding clauses (A) through (G) to the contrary, the Authority and the Issuer shall have a claim against the Lender, and the Lender shall be liable to the Authority and the Issuer, to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by the Authority and the Issuer that the Authority and the Issuer prove were caused by (A) the Lender's failure to pay under this Agreement after the presentation to it by the Authority and the Issuer of a certificate strictly complying with the terms and conditions of this Agreement or (B) the Lender's willful or grossly negligent payment under this Agreement as determined by a court of competent jurisdiction in a final non-appealable judgment.

In furtherance and not in limitation of the foregoing, the Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

(b) (i) To the maximum extent permitted by applicable law, each of the Authority and the Issuer agree to indemnify, save and hold harmless each Lender-Related Person from and against: (A) any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever (including reasonable attorneys' fees) which may incur or which may be claimed against an

Indemnatee by any Person or entity whatsoever or that may at any time (including at any time following repayment of the Obligations) be asserted or imposed against any Lender-Related Person arising out of or relating to this Agreement, the Loans and Term Loans, the Fee Agreement or any Related Document, the use or contemplated use of the proceeds of any Loan or Term Loan, or the relationship of the Authority or the Issuer and the Lender under this Agreement or any Related Document; (B) any investigative, administrative or judicial proceeding by any Governmental Authority arising out of or related to a claim, demand, action or cause of action described in subsection (A) above; and (C) any and all liabilities (including liabilities under indemnities), losses, costs or expenses (including attorney costs) that any Lender-Related Person suffers or incurs as a result of the assertion of any foregoing claim, demand, action, cause of action or proceeding, or as a result of the preparation of any defense in connection with any foregoing claim, demand, action, cause of action or proceeding, in all cases, and whether or not a Lender-Related Person is a party to such claim, demand, action, cause of action or proceeding; *provided* that no Lender-Related Person shall be entitled to indemnification for any claim caused by its own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final non-appealable judgment. The agreements in this subsection shall survive the termination of this Agreement and repayment of all of the Obligations.

(ii) To the fullest extent permitted by applicable law, the Authority and the Issuer shall not assert, and hereby waive, and acknowledges that no other Person shall have, any claim against any Lender-Related Person, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Related Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the making of Loans and Term Loans by the Lender or the use of the proceeds thereof. No Lender-Related Person referred to in this Section 7.5 above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Lender-Related Person through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Related Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Lender-Related Person as determined by a final and non-appealable judgment of a court of competent jurisdiction.

(iii) To the maximum extent permitted by applicable law, the Authority and the Issuer shall also indemnify and hold harmless the Lender from any transfer taxes, documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement and the Related Documents or the making available of the Commitment. The agreements in this subsection shall survive the termination of this Agreement and repayment of all of the Obligations.

Section 7.6. Expenses. The Authority and the Issuer will promptly pay (i) the reasonable fees and expenses of counsel to the Lender incurred in connection with the preparation, execution and delivery of this Agreement and the other Related Documents, (ii) the reasonable out-of-pocket expenses of the Lender incurred in connection with the preparation, execution and delivery of this Agreement and the other Related Documents, (iii) the reasonable fees and disbursements of counsel to the Lender with respect to advising the Lender as to the rights and responsibilities under

this Agreement after the occurrence of an Event of Default and (iv) all reasonable costs and expenses, if any, in connection with the administration and enforcement of this Agreement and the Related Documents and any other documents which may be delivered in connection herewith or therewith, including in each case the fees and disbursements of counsel to the Lender. In addition, the Authority and the Issuer agree to pay, after the occurrence of an Event of Default, all reasonable costs and expenses (including attorneys' and consultants' fees and costs of settlement) incurred by the Lender in enforcing any obligations or in collecting any payments due from the Authority and the Issuer hereunder by reason of such Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "workout" or of any insolvency or bankruptcy proceedings. The obligations of the Authority and the Issuer under this Section 7.6 shall survive the termination of this Agreement.

Section 7.7. No Waiver; Conflict. No failure by the Lender to exercise, and no delay or omission by the Lender in exercising any right, power or privilege hereunder, nor any course of dealing with respect to any of the same, shall operate as a waiver thereof, preclude any other or further exercise thereof nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. No delay or omission by the Lender in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right remedy or power or be construed to be a waiver of any default on the part of the Purchaser or to be acquiescence therein. The rights, remedies, powers and privileges herein provided and provided under each other Related Document (whether specifically herein given or otherwise existing) are cumulative, nonexclusive and concurrent and not exclusive of any rights, remedies, powers and privileges provided by law. Every right, power and remedy (whether specifically herein given or otherwise existing) may be exercised from time to time and as often and in such order as may be deemed expedient by the Lender. No express or implied waiver by the Lender of any Default or Event of Default shall in any way be a waiver of any future or subsequent Default or Event of Default. In case the Lender shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Related Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Lender shall have the unqualified right so to do and, in such event, the Authority, the Issuer and the Lender shall be restored to their former positions with respect to the Obligations, the Related Documents and otherwise, and the rights, remedies, recourse and powers of the Lender hereunder shall continue as if the same had never been invoked. The rights and remedies of the Lender specified herein are for the sole and exclusive benefit, use and protection of the Lender, and the Lender is entitled, but shall have no duty or obligation to the Authority, the Issuer or any other Person or otherwise, to exercise or to refrain from exercising any right or remedy reserved to the Lender hereunder or under any of the other Related Documents.

Section 7.8. Modification, Amendment, Waiver, Etc. No modification, amendment or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed in accordance with Section 7.1 hereof.

Section 7.9. Dealing with the Authority and the Issuer. The Lender and its affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with the Authority and the Issuer regardless of the capacity of the Lender hereunder.

Section 7.10. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by law.

Section 7.11. Counterparts; Integration; Effectiveness; Electronic Execution. (a) *Counterparts; Integration; Effectiveness.* This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Related Documents, and any separate letter agreements with respect to fees payable to the Lender, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 3.1, this Agreement shall become effective when it shall have been executed by the Lender and when the Lender shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) *Electronic Execution.* The words “execute,” “execution,” “signed,” “signature,” “delivery” and words of like import in or related to this Agreement, any other Related Document or any document, amendment, approval, consent, waiver, modification, information, notice, certificate, report, statement, disclosure, or authorization to be signed or delivered in connection with this Agreement or any other Related Document or the transactions contemplated hereby shall be deemed to include Electronic Signatures or execution in the form of an Electronic Record, and contract formations on electronic platforms approved by the Lender, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each party hereto agrees that any Electronic Signature or execution in the form of an Electronic Record shall be valid and binding on itself and each of the other parties hereto to the same extent as a manual, original signature. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the parties of a manually signed paper which has been converted into electronic form (such as scanned into PDF format), or an electronically signed paper converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, the Lender is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Lender pursuant to procedures approved by it; *provided* that without limiting the foregoing, (i) to the extent the Lender has agreed to accept such Electronic Signature from any party hereto, the Lender and the other parties hereto shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the executing party without further verification and (ii) upon the request of the Lender, any Electronic Signature shall be promptly followed by an original manually executed counterpart thereof. Without limiting the generality of the foregoing, each

party hereto hereby (A) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Lender and any of the other parties hereto, electronic images of this Agreement or any other Related Document (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (B) waives any argument, defense or right to contest the validity or enforceability of the Related Documents based solely on the lack of paper original copies of any Related Documents, including with respect to any signature pages thereto.

Section 7.12. Table of Contents; Headings. The table of contents and the section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

Section 7.13. Entire Agreement. THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO AS TO SUCH SUBJECT MATTER.

Section 7.14. Governing Law. THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA AND APPLICABLE FEDERAL LAW.

Section 7.15. Waiver of Jury Trial. (a) TO THE FULL EXTENT PERMITTED BY LAW, THE AUTHORITY, THE ISSUER AND THE LENDER EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY FOR ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE FEE AGREEMENT, ANY OF THE OTHER RELATED DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH OF THE AUTHORITY, THE ISSUER AND THE LENDER FURTHER AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT JURY. WITHOUT LIMITING THE FOREGOING, TO THE EXTENT PERMITTED BY LAW, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION 7.15 AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT, THE FEE AGREEMENT, AND/OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND/OR THE FEE AGREEMENT.

(b) IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE ADJUDICATION OF ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ALL ISSUES IN SUCH REFERENCE, WHETHER FACT OR LAW. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A

TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

(c) The covenants and waivers made pursuant to this Section 7.15 shall be irrevocable and unmodifiable, whether in writing or orally.

Section 7.16. Right of Setoff; Other Collateral. (a) Upon the occurrence and during the continuance of an Event of Default, the Lender is hereby authorized at any time and from time to time without notice to the Authority or the Issuer (any such notice being expressly waived by the Authority and the Issuer), and to the fullest extent permitted by law, to setoff, to exercise any banker's lien or any right of attachment and apply any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or monies at any time held and other indebtedness at any time owing by the Lender to or for the account of the Authority and the Issuer (irrespective of the currency in which such accounts, monies or indebtedness may be denominated and the Lender is authorized to convert such accounts, monies and indebtedness into United States dollars) against any and all of the Obligations of the Authority and the Issuer, whether or not the Lender shall have made any demand for any amount owing to the Lender by the Authority and the Issuer.

(b) The rights of the Lender under this Section 7.16 are in addition to, in augmentation of, and, except as specifically provided in this Section 7.16, do not derogate from or impair, other rights and remedies (including, without limitation, other rights of setoff) which the Lender may have hereunder or under the other Related Documents.

Section 7.17. USA Patriot Act. The Lender hereby notifies the Authority and the Issuer that, pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107 56 signed into law October 26, 2001) (the "*Patriot Act*") or any other Anti-Money Laundering Laws, it is required to obtain, verify and record information that identifies the Authority and the Issuer, which information includes the name and address of the Authority and the Issuer and other information that will allow the Lender to identify the Authority and the Issuer in accordance with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act or such Anti-Money Laundering Laws. The Authority and the Issuer hereby agree that it shall promptly provide such information upon request by the Lender.

Section 7.18. Assignment to Federal Reserve Bank. The Lender and each other Noteholder may assign and pledge all or any portion of the Obligations owing to it to any Federal Reserve Bank or the United States Treasury, including, without limitation, as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank or to any state or local governmental entity or with respect to public deposits; *provided* that any payment in respect of such assigned Obligations made by the Authority and the Issuer or on its behalf to the Lender in accordance with the terms of this Agreement shall satisfy the Authority's and the Issuer's Obligations hereunder in respect of such

assigned Obligation to the extent of such payment. No such assignment shall release the Lender from its obligations hereunder.

Section 7.19. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), each of the Authority and the Issuer acknowledges and agrees that: (a) (i) the services regarding this Agreement provided by the Lender and any Affiliate thereof are arm's-length commercial transactions between the Authority and the Issuer, on the one hand, and the Lender and its Affiliates, on the other hand, (ii) the Authority and the Issuer have consulted their own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Authority and the Issuer are capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents; (b) (i) the Lender and its Affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary pursuant to Section 15B of the Securities Exchange Act of 1934 or otherwise, for the Authority and the Issuer or any other Person and (ii) neither the Lender nor any of its Affiliates has any obligation to the Authority and the Issuer with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Related Documents; and (c) the Lender and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Authority and the Issuer, and neither the Lender nor any of its Affiliates has any obligation to disclose any of such interests to the Authority and the Issuer. To the fullest extent permitted by Law, each of the Authority and the Issuer hereby waives and releases any claims that it may have against the Lender or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

Section 7.20. EMMA Postings. In the event the Authority or the Issuer files with EMMA, this Agreement, any Related Documents or any description of the material terms thereof or notice of any agreement to covenants, events of default, remedies, priority rights or other similar terms with respect thereto, either voluntarily or as required pursuant a continuing disclosure agreement or Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule") (each such posting, an "EMMA Posting"), the Authority and the Issuer shall (i) provide the Lender with a copy of each EMMA Posting prior to submitting or posting on EMMA and (ii) shall not file or permit the filing of any EMMA Posting that includes Confidential Information. Each of the Authority and the Issuer acknowledges and agrees that although the Lender may request or review edits or redactions of such materials prior to filing, the Lender is not responsible for the Authority's, the Issuer's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with any continuing disclosure agreement or any applicable securities or other laws, including, but not limited to, those relating to the Rule.

Section 7.21. US QFC Stay Rules.

(a) *Recognition of U.S. Resolution Regimes.* In the event that any party that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of

this Agreement (and any interest and obligation in or under this Agreement and any property securing this Agreement) from such Covered Entity will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement (and any such interest, obligation and property) were governed by the laws of the United States or a state of the United States. In the event that any party that is a Covered Entity or a BHC Act Affiliate of such party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights against such party with respect to this Agreement are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States. The requirements of this paragraph (a) apply notwithstanding the provisions of paragraph (b).

(b) *Limitation on the Exercise of Certain Rights Related to Affiliate Insolvency Proceedings.* Notwithstanding anything to the contrary in this Agreement or any related agreement, but subject to the requirements of paragraph (a), no party to this Agreement shall be permitted to exercise any Default Right against a party that is a Covered Entity with respect to this Agreement that is related, directly or indirectly, to a BHC Act Affiliate of such Covered Entity becoming subject to Insolvency Proceedings, except to the extent the exercise of such Default Right would be permitted under 12 C.F.R. § 252.84, 12 C.F.R. § 47.5, or 12 C.F.R. § 382.4, as applicable. After a BHC Act Affiliate of a party that is a Covered Entity has become subject to Insolvency Proceedings, any party that seeks to exercise a Default Right against such Covered Entity with respect to this Agreement shall have the burden of proof, by clear and convincing evidence, that the exercise of such Default Right is permitted hereunder.

“*BHC Act Affiliate*” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“*Covered Entity*” means any of the following:

- (a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Default Right*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“*Insolvency Proceeding*” means a receivership, insolvency, liquidation, resolution, or similar proceeding.

“*U.S. Special Resolution Regime*” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

Section 7.22. Treatment of Certain Information; Confidentiality. The Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective Related Parties in connection with the Loans, this Agreement, the transactions contemplated hereby or in connection with marketing of services by such Affiliate or Related Party to the Authority and the Issuer or any of their Subsidiaries (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by, or required to be disclosed to, any regulatory or similar authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners) or in accordance with the Lender's regulatory compliance policy if the Lender deems such disclosure to be necessary for the mitigation of claims by those authorities against the Lender or any of its Related Parties (in which case, the Lender shall use commercially reasonable efforts to, except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority, promptly notify the Authority and the Issuer, in advance, to the extent practicable and otherwise permitted by Applicable Law), (c) as to the extent required by Applicable Laws or regulations or in any legal, judicial, administrative proceeding or other compulsory process, (d) to any other party hereto, (e) in connection with the exercise of any remedies under this Agreement, or under any other Related Document, or any action or proceeding relating to this Agreement or any other Related Document, or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 7.22, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement and, in each case, their respective financing sources, (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Authority and the Issuer and their obligations, this Agreement or payments hereunder, or (iii) a nationally recognized rating agency that requires access to information regarding the Authority and the Issuer and their Subsidiaries, the Loans and the Related Documents, (g) on a confidential basis to (i) any rating agency in connection with rating the Authority and the Issuer or their Subsidiaries or the Loans or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Loans, (h) with the consent of the Authority and the Issuer, (i) deal terms and other information customarily reported to Thomson Reuters, other bank market data collectors and similar service providers to the lending industry and service providers to the Lender in connection with the administration of the Related Documents, (j) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 7.22 or (ii) becomes available to the Lender or any of its respective Affiliates from a third party that is not, to such Person's knowledge, subject to confidentiality obligations to the Authority and the Issuer, (k) to the extent that such information is independently developed by such Person, (l) to the extent required by an insurance company in connection with providing insurance coverage or providing reimbursement pursuant to this Agreement or (m) for purposes of establishing a "due diligence" defense. For purposes of this Section 7.22, "*Information*" means all information received from the Authority and the Issuer or any Subsidiary thereof relating to the Authority and the Issuer or any Subsidiary thereof or any of their respective businesses, other than any such information that is available to the Lender on a nonconfidential basis prior to disclosure by the Authority and the Issuer or any Subsidiary thereof; *provided* that, in the case of information received from the Authority and the

Issuer or any Subsidiary thereof after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 7.22 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 7.23. Waiver of Rule of Construction. The Authority and the Issuer each hereby waive any and all provisions of law to the effect that an ambiguity in a contract or agreement should be interpreted against the party responsible for its drafting.

Section 7.24. Acknowledgement and Appointment as the Calculation Agent. Wells Fargo Bank, National Association hereby acknowledges and accepts its appointment as Calculation Agent hereunder and acknowledges, accepts and agrees to all the duties and obligations of the Calculation Agent set forth herein.

[Execution Page Follows]

IN WITNESS WHEREOF, the Authority, the Issuer and the Lender have duly executed this Agreement as of the date first above written.

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY

By: _____
[NAME], Chair of the Board

ATTEST:

[NAME], Secretary of the Board

LAS VIRGENES-TRIUNFO PUBLIC FINANCING
AUTHORITY

By: _____
[NAME], Chair of the Board

ATTEST:

[NAME], Secretary of the Board

WELLS FARGO MUNICIPAL CAPITAL STRATEGIES, LLC

By: _____
Name: _____
Title: _____

Acknowledged and Agreed as to Section 7.24
of the Credit Agreement.

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Calculation Agent

By _____
Name: _____
Title: _____

EXHIBIT A

FORM OF NOTE

**THE TRANSFERABILITY OF THIS NOTE IS RESTRICTED AS DESCRIBED IN
SECTION 7.3 OF THE CREDIT AGREEMENT**

**LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY
[TAX-EXEMPT NOTE (WELLS FARGO CREDIT AGREEMENT)]**

[_____], 2026

\$[_____]

The Las Virgenes-Triunfo Public Financing Authority (the “*Issuer*”), for value received, hereby promise to pay to the order of Wells Fargo Municipal Capital Strategies, LLC (the “*Lender*”), pursuant to the Credit Agreement dated as of [_____], 2026 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “*Credit Agreement*”), among Las Virgenes-Triunfo Joint Powers Authority (the “*Authority*”), the Issuer and the Lender and that certain Fee Agreement dated [_____], 2026 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “*Fee Agreement*”), [between] [among] the Authority, the Issuer and the Lender, at the office of the Lender at [_____] (or such other address as designated by the Lender to the Authority and the Issuer in writing), the aggregate unpaid principal amount of all Obligations (as defined in the Credit Agreement) pursuant to the Credit Agreement and the Fee Agreement on the dates and in the amounts provided for in the Credit Agreement and the Fee Agreement.

The Issuer promise to pay interest on the unpaid principal amount of all Loans and all Term Loans owed to the Lender under the Credit Agreement and the Fee Agreement on the dates and at the rate or rates provided for in the Credit Agreement and the Fee Agreement. All payments of principal and interest shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Credit Agreement.

This Note is the “*Note*” referred to in the Credit Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. As provided in the Credit Agreement, this Note is subject to prepayment, in whole or in part, in accordance with the terms of the Credit Agreement.

The Lender agrees, by acceptance of this Note, that it will make a notation on the schedule attached hereto of all Loans and all Term Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid, all as provided in the Credit Agreement; *provided, however*, that the failure to make any such notation shall not limit or otherwise affect the obligation of the Issuer hereunder with respect to payments of principal of and interest on this Note.

This Note is authorized by the Authority and the Issuer to be issued to provide funds for the purposes set forth in the Credit Agreement and for other authorized purposes, including to pay the principal amount of Loans and related Term Loans theretofore issued. This Note is issued under and pursuant to and in full compliance with the Payment Agreements, the Installment Purchase Agreement and the Credit Agreement providing for the issuance and sale and fixing the form and details of this Note.

This Note is an obligation of the Authority and the Issuer secured as more fully described in Section 2.20 of the Credit Agreement.

It is hereby certified that all conditions, acts and things essential to the validity of this Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the Issuer has caused this Note to be executed by an authorized officer of the Issuer and this Note to be dated as of date set forth above.

LAS VIRGENES-TRIUNFO PUBLIC FINANCING
AUTHORITY

By: _____
[NAME], Chair of the Board

ATTEST:

[NAME], Secretary of the Board

**SCHEDULE FOR [TAX-EXEMPT NOTE]
DATED [____], 2026
BY LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY
PAYABLE TO WELLS FARGO MUNICIPAL CAPITAL STRATEGIES, LLC**

DATE	AMOUNT OF LOAN OR TERM LOAN MADE	AMOUNT OF PRINCIPAL PAID	DATE TO WHICH INTEREST PAID	DUE DATE	NOTATION MADE BY

EXHIBIT B

FORM OF NOTICE OF BORROWING

[Date]

To: _____

Attention: _____
Telephone: _____
E-Mail: _____

[With a copy to:

Attention: _____
Telephone: _____
E-Mail: _____]

FROM: Las Virgenes-Triunfo Joint Powers Authority and Las Virgenes-Triunfo Public Financing Authority

Re: Credit Agreement
(the “*Credit Agreement*”) dated as of [____], 2026, among
Las Virgenes-Triunfo Joint Powers Authority, Las Virgenes-Triunfo Public
Financing Authority and the Lender

We hereby give notice, pursuant to Section 2.2(a) of the Credit Agreement, of the following proposed Borrowing:

Date of Borrowing [Date]
Loan Principal Amount..... [\$xx,xxx,xxx]
Amount of Loans Outstanding..... [\$xxx,xxx,xxx]

The proceeds of such Loan are to be wire transferred to the following account:

Pay: Account Name: _____
 Bank Name: _____
 ABA Number: _____
 Account Number: _____

[Attached hereto is an executed copy of the [Tax Certificate/Supplemental Tax Certificate] relating to such Loan which includes the related form 8038-G.]

The rates of interest on the Loan will not exceed the Maximum Interest Rate.

The undersigned hereby acknowledges on and as of the date hereof that submission of this notice shall be deemed to be a representation and warranty by the Authority on the date of such Borrowing as to the facts specified in clauses (b), (c) and (d) of Section 3.2 of the Credit Agreement and that no Default or Event of Default has occurred and is continuing.

Terms used herein have the meanings assigned to them in the Credit Agreement.

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY

By: _____
 Name: _____
 Title: _____

LAS VIRGENES-TRIUNFO PUBLIC FINANCING
AUTHORITY

By: _____
 Name: _____
 Title: _____

EXHIBIT C

FORM OF REQUEST FOR EXTENDED FUNDED PERIOD

[Date]

To: _____

Attention: _____
Telephone: _____
E-Mail: _____

With a copy to:

Attention: _____
Telephone: _____
E-Mail: _____

Ladies and Gentlemen:

The undersigned, Las Virgenes-Triunfo Joint Powers Authority (the “*Authority*”) and Las Virgenes-Triunfo Public Financing Authority (the “*Issuer*”), hereby refers to the Credit Agreement dated as of [____], 2026, as amended, modified, supplemented or restated from time to time (the “*Credit Agreement*”), among the Authority, the Issuer and Wells Fargo Municipal Capital Strategies, LLC (the “*Lender*”). All capitalized terms contained herein which are not specifically defined shall have the meanings assigned to such terms in the Credit Agreement.

The Authority and the Issuer hereby request, pursuant to Section 2.22 of the Credit Agreement, that the Term Loans be payable as provided in Section 2.22 of the Credit Agreement with interest as provided in Section 2.22 of the Credit Agreement.

In connection with such request, the Authority and the Issuer hereby representant warrant that:

(a) no Default or Event of Default shall have occurred and be continuing on the date hereof and no Default or Event of Default will have occurred and be continuing on the Facility Maturity Date,

(b) the representations and warranties of the Authority and the Issuer set forth in Article Four of the Credit Agreement are true and correct in all material respects as if made as of the date hereof and the Facility Maturity Date.

We have enclosed along with this request the following information:

1. The nature of any and all Defaults and Events of Default; and
2. Any other pertinent information previously requested by the Lender.

Very truly yours,

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY

By: _____
Name: _____
Title: _____

LAS VIRGENES-TRIUNFO PUBLIC FINANCING
AUTHORITY

By: _____
Name: _____
Title: _____

FEE AGREEMENT
DATED [____], 2026

Reference is hereby made to the Credit Agreement dated as of [____], 2026 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “*Agreement*”), among Las Virgenes-Triunfo Joint Powers Authority (the “*Authority*”), Las Virgenes-Triunfo Public Financing Authority (the “*Issuer*”), and Wells Fargo Municipal Capital Strategies, LLC (together with its successors and assigns, the “*Lender*”), relating to the **[Las Virgenes-Triunfo Public Financing Authority Series ____ Notes]**. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The purpose of this Fee Agreement (this “*Fee Agreement*”) is to confirm the agreement among the Lender, the Issuer and the Authority with respect to, among other things, the Commitment Fees (as defined below), the Applicable Spread and certain other fees payable to the Lender. This Fee Agreement is the Fee Agreement referenced in the Agreement, and the terms hereof are incorporated by reference into the Agreement. This Fee Agreement and the Agreement are to be construed as one agreement among the Authority, the Issuer and the Lender, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Agreement.

ARTICLE I. FEES AND OTHER AGREEMENTS.

Section 1.1. Commitment Fees. The Authority and the Issuer each hereby agree to pay or cause to be paid to the Lender on April 1, 2026, for the period commencing on the Closing Date and ending on March 31, 2026, and quarterly in arrears on the first Business Day of each July, October, January and April occurring prior to the Termination Date, and on the Termination Date, a non-refundable commitment fee (the “*Commitment Fee*”) in an amount equal to the product of the rate per annum based upon the applicable Level corresponding to the then applicable Rating (as defined below) for each day during the related fee period as specified in the matrix below (the “*Commitment Fee Rate*”) multiplied by the Unutilized Commitment (as defined below) from time to time in effect for each day during each related period:

LEVEL	MOODY’S RATING	S&P RATING	FITCH RATING	COMMITMENT FEE RATE
Level 1	Aa2 or above	AA or above	AA or above	0.240%
Level 2	Aa3	AA-	AA-	0.265%
Level 3	A1	A+	A+	0.315%
Level 4	A2	A	A	0.365%
Level 5	A3	A-	A-	0.415%
Level 6	Baa1	BBB+	BBB+	0.565%
Level 7	Baa2	BBB	BBB	0.815%

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	COMMITMENT FEE RATE
Level 8	Baa3 or below	BBB- or below	BBB- or below	1.165%

The term “*Unutilized Commitment*” as used herein means the Commitment, as of the Closing Date, as permanently reduced from time to time in accordance with the Agreement less the outstanding principal amount of any Loans under the Agreement. The term “*Rating*” as used herein shall mean the lowest of (i) the long-term unenhanced debt rating assigned by Moody’s, Fitch and S&P to any Payment Agreement Parity Debt and (ii) the lowest long-term credit issuer rating of the Issuer assigned by Moody’s, Fitch and S&P. In the event of a split rating (*i.e.*, the Rating of one of the Rating Agencies is different than the Rating of any of the other Rating Agencies), the Commitment Fee Rate shall be based upon the Level in which the lowest Rating appears (for the avoidance of doubt, Level 8 is the Level with the lowest Ratings, and Level 1 is the Level with the highest Ratings for purposes of the above matrix set forth in this Section 1.1). Any change in the Commitment Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings levels above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, including, without limitation, any recalibration or realignment of Rating in connection with the adoption of a “global” rating scale, the rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. In the event that a Rating is suspended or withdrawn from any Rating Agency or upon the occurrence of and during the continuance of an Event of Default, the Commitment Fee Rate shall increase to the sum of the Commitment Fee Rate specified for Level 8 above *plus* 1.00% per annum. The Commitment Fees shall be payable as set forth above, together with interest on the Commitment Fees from the date payment is due until payment in full at the Default Rate, such interest to be payable by the Authority and the Issuer on demand therefor. The Commitment Fee shall be payable in immediately available funds and computed on the basis of a year of 360 days and the actual number of days to elapse. The Authority and the Issuer acknowledge that as of the Closing Date the Commitment Fee Rate is that specified above for Level 1 of the matrix set forth in this Section 1.1.

Notwithstanding anything herein or in the Agreement to the contrary, until a Rating is in effect pursuant to Section 5.2(aa) of the Agreement, the Commitment Fee Rate shall be the rate per annum set forth in Level 1 of the matrix set forth in this Section 1.1.

Section 1.2. Amendment, Consent or Waiver Fee. The Authority and the Issuer each hereby agree to pay or cause to be paid to the Lender on the date of each amendment, supplement, or modification to the Agreement or this Fee Agreement (or any Related Document, the amendment, supplement or modification of which requires the consent of, or waiver from, the Lender), a non-refundable fee equal to \$2,500, or such other fee as may be agreed to between the Lender, the Issuer and the Authority, plus the reasonable fees and expenses of any legal counsel retained by the Lender in connection therewith.

Section 1.3. Applicable Spread. For purposes of the Agreement, the “*Applicable Spread*” means a rate per annum based upon the applicable Level corresponding to the then applicable Rating in the applicable column, as specified in the matrix below:

LEVEL	MOODY’S RATING	S&P RATING	FITCH RATING	APPLICABLE SPREAD
Level 1	Aa2 or above	AA or above	AA or above	0.340%
Level 2	Aa3	AA-	AA-	0.415%
Level 3	A1	A+	A+	0.565%
Level 4	A2	A	A	0.715%
Level 5	A3	A-	A-	0.865%
Level 6	Baa1	BBB+	BBB+	1.115%
Level 7	Baa2	BBB	BBB	1.465%
Level 8	Baa3	BBB-	BBB-	1.965%

In the event of a split rating (*i.e.*, the Rating of one of the Rating Agencies is different than the Rating of any of the other Rating Agencies), the Applicable Spread shall be based upon the Level in which the lowest Rating appears (for the avoidance of doubt, Level 8 is the Level with the lowest Ratings, and Level 1 is the Level with the highest Ratings for purposes of the above matrix set forth in this Section 1.3). Any change in the Applicable Spread resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings levels above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, including, without limitation, any recalibration or realignment of Rating in connection with the adoption of a “global” rating scale, the rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. In the event that a Rating is suspended or withdrawn from any Rating Agency or upon the occurrence of and during the continuance of an Event of Default, the Loans shall bear interest at the Default Rate. The Authority and the Issuer acknowledge that as of the Closing Date the Applicable Spread is the rate per annum that is specified above for Level 1 of the matrix set forth in this Section 1.3.

Notwithstanding anything herein or in the Agreement to the contrary, until a Rating is in effect pursuant to Section 5.2(aa) of the Agreement, the Applicable Spread shall be the rate per annum set forth in Level 1 of the matrix set forth in this Section 1.3.

Section 1.4. Termination and Reduction Fees. (a) Notwithstanding anything set forth herein or in the Agreement to the contrary, the Authority and the Issuer agree not to terminate, or cause the termination or replacement of, the Agreement and/or the Commitment prior to the one (1) year anniversary of the Closing Date, except upon the payment by the Authority and the Issuer to the Lender of a termination fee (the “*Termination Fee*”) on the date of such termination or replacement in an amount equal to the product of (1) the Commitment Fee Rate in effect on the date of such termination or replacement, (2) the Commitment (without regard to any

outstanding Loans) on the date of termination or replacement of the Agreement and/or the Commitment and (3) a fraction, the numerator of which is equal to the number of days from and including the date of such termination or replacement until and including the one (1) year anniversary of the Closing Date, and the denominator of which is 360.

(b) Notwithstanding anything set forth herein or in the Agreement to the contrary, the Authority and the Issuer agree not to permanently reduce the Commitment prior to the one (1) year anniversary of the Closing Date, without the payment by the Authority and the Issuer to the Lender of a reduction fee (the "*Reduction Fee*") in connection with each and every permanent reduction of the Commitment on the date of such permanent reduction in an amount equal to the product of (A) the Commitment Fee Rate in effect on the date of such permanent reduction, (B) the difference between the Commitment (without regard to any outstanding Loans) prior to such permanent reduction and the Commitment (without regard to any outstanding Loans) after such permanent reduction, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such permanent reduction until and including the one (1) year anniversary of the Closing Date and the denominator of which is 360.

ARTICLE II. MISCELLANEOUS.

Section 2.1. Amendments. No amendment to this Fee Agreement shall become effective without the prior written consent of the Authority, the Issuer and the Lender.

Section 2.2. Governing Law. THIS FEE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA AND APPLICABLE FEDERAL LAW. THIS FEE AGREEMENT IS SUBJECT TO SECTION 7.15 OF THE AGREEMENT.

Section 2.3. Counterparts. This Fee Agreement may be executed in multiple counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument. Delivery of an executed counterpart of a signature page of this Fee Agreement by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, will be effective as delivery of a manually executed counterpart of this Fee Agreement, and any printed or copied version of any signature page so delivered will have the same force and effect as an originally signed version of such signature page.

Section 2.4. Severability. Any provision of this Fee Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 2.5. Representation by Legal Counsel; Joint Preparation. The parties hereto have participated jointly in the negotiation and drafting of this Fee Agreement, and each of the parties was represented by its respective legal counsel during the negotiation and execution of this Fee Agreement. In the event an ambiguity or question of intent or interpretation arises, this Fee Agreement shall be construed as if drafted jointly by the parties, and no presumption or

burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Fee Agreement.

Section 2.6. No Disclosure. Unless required by law, the Authority and the Issuer shall not deliver or permit, authorize or consent to the delivery of this Fee Agreement to any Person (other than the Authority's and the Issuer's respective attorneys, accountants or auditors) or for posting on the Electronic Municipal Market Access website as provided by the Municipal Securities Rulemaking Board unless the Lender provides its prior written consent.

Section 2.7. Payment Due on Non-Business Day to Be Made on Next Business Day. If any sum becomes payable pursuant to this Fee Agreement on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first set forth above.

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

LAS VIRGENES-TRIUNFO PUBLIC FINANCING
AUTHORITY

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

WELLS FARGO MUNICIPAL CAPITAL STRATEGIES, LLC

By: _____
Name: _____
Title: _____

INSTALLMENT PURCHASE AGREEMENT

by and between

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY
formed October 12, 1964 relating to joint facilities of
Las Virgenes Municipal Water District and Triunfo Water & Sanitation District

and

LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY

Dated as of ____ 1, 2026

Relating to

\$____
LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY
[TAX-EXEMPT NOTE
(WELLS FARGO CREDIT AGREEMENT)]

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INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT, dated as of ____ 1, 2026, is entered into by and between LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY, a joint exercise of powers agency relating to joint facilities of Las Virgenes Municipal Water District and Triunfo Water & Sanitation District (the “**Operating JPA**”), and LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency that is duly organized and existing under and by virtue of the laws of the State of California (the “**Financing JPA**”).

RECITALS

A. LVMWD and TWSD (collectively, the “**Project Participants**”) are members of the Operating JPA and jointly operate certain facilities through the Operating JPA.

B. The Operating JPA is authorized by Sections 6508, 6546(g) and (v) and 6547.1 of the Government Code of the State of California and Sections 8, 10.c and 21.a. of the Operating JPA Joint Powers Agreement to acquire and construct property.

C. The Operating JPA proposes to acquire, construct and operate the Pure Water Project (the “**Project**”) in Agoura Hills, California. The Project will consist of an advanced water purification facility to treat effluent from the Operating JPA’s Tapia Water Reclamation Facility for potable reuse, as described in Exhibit A.

D. The Project shall be deemed to be part of the Joint System (as such term is defined in the Operating JPA Joint Powers Agreement) in accordance with Sections 1.d and 25 of the Operating JPA Joint Powers Agreement.

E. The Operating JPA proposes, in exchange for the agreement by the Project Participants to pay their respective Allocated Shares of Debt Service (as such terms are defined in the Payment Agreement) and Operation and Maintenance Costs, to sell the water to be produced by the Project to the Project Participants.

F. The Project Participants are members of the Financing JPA and desire to finance the acquisition and construction of the Project through the Financing JPA.

G. The Financing JPA is authorized by Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, including but not limited to Section 6540 *et seq.*, to finance and refinance the acquisition and construction of property for the Project Participants.

H. The Operating JPA has approved the execution of a Credit Agreement among the Operating JPA, the Financing JPA and Wells Fargo Municipal Capital Strategies, LLC (together with its successors and assigns, the “**Lender**”), dated as of _____, 2026 (as the same may be amended, supplemented, modified or restated in accordance with the terms thereof, the “**Credit Facility**”), pursuant to which the Lender has agreed to provide to the Operating JPA and the Financing JPA, up to \$_____ in funds to pay the costs of the Project.

I. The Financing JPA has determined that it is necessary and desirable to enter into this Agreement pursuant to which the Financing JPA is to purchase the Project in consideration for

Installment Payments equal in time and amount to payments required to be made by the Operating JPA pursuant to the Credit Facility as and when due thereunder.

J. The 2026 Installment Payments will be payable from and secured by Revenues on the terms and conditions that are set forth herein and in the Payment Agreement.

K. The Operating JPA and the Financing JPA have duly authorized the execution, delivery and performance of this Installment Purchase Agreement.

L. All acts, conditions and things that are required by law to exist, to have happened and to have been performed precedent to and in connection with the execution, delivery and performance of this Installment Purchase Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into and perform this Installment Purchase Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms that are defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document that is mentioned herein or therein have the meanings that are defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms that are defined herein. All capitalized terms that are used herein and not defined herein shall have the meanings that are ascribed thereto in the Credit Facility.

Acquisition Fund

The term “Acquisition Fund” means the fund by that name created pursuant to Section 3.03.

Administering Agent

The term “Administering Agent” has the meaning set forth in Section 2.a of the Operating JPA Joint Powers Agreement.

Contracts

The term “Contracts” means this Agreement and all other contracts of the Operating JPA that are previously or hereafter authorized and executed by the Operating JPA, the payments under which are payable from Revenues on a parity with the 2026 Installment Payments and which are secured by a pledge and lien on Revenues as described in Section 5.01 hereof.

Credit Facility

The term “Credit Facility” means that certain Credit Agreement among the Operating JPA, the Financing JPA and the Lender , dated as of _____, 2026, as amended, supplemented, restated or otherwise modified from time to time.

Event of Default

The term “Event of Default” means an event that is described in Section 8.01.

Financing JPA

The term “Financing JPA” means Las Virgenes-Triunfo Public Financing Authority, a joint exercise of powers agency that is duly organized pursuant to the Financing JPA Joint Powers Agreement and existing under and by virtue of the laws of the State of California.

Financing JPA Joint Powers Agreement

The term “Financing JPA Joint Powers Agreement” means the Joint Exercise of Powers Agreement, dated as of September 1, 2023, by and between LVMWD and TWSD, pursuant to which the Financing JPA was established.

Fiscal Year

The term “Fiscal Year” means the period from July 1 of each year through June 30 of the following year, or any other twelve-month period that is selected and designated as the official Fiscal Year of the Operating JPA.

Independent Certified Public Accountant

The term “Independent Certified Public Accountant” means any firm of certified public accountants that is appointed by the Operating JPA, and each of whom is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

Independent Financial Consultant

The term “Independent Financial Consultant” means a financial consultant or firm of such consultants that is appointed by the Operating JPA, and who, or each of whom: (1) is in fact independent and not under domination of the Operating JPA; (2) does not have any substantial interest, direct or indirect, with the Operating JPA; and (3) is not connected with the Operating JPA as an officer or employee of the Operating JPA, but who may be regularly retained to make reports to the Operating JPA.

Installment Payment Date

The term “Installment Payment Date” means any date on which Installment Payments are scheduled to be paid by the Operating JPA under and pursuant to any Contract.

Installment Payments

The term “Installment Payments” means the Installment Payments of interest and principal scheduled to be paid under and pursuant to the Contracts.

Installment Purchase Agreement

The term “Installment Purchase Agreement” means this Installment Purchase Agreement, dated as of _____ 1, 2026, by and between the Operating JPA and the Financing JPA, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

Joint System

The term “Joint System” has the meaning set forth in the Section 2.d of the Operating JPA Joint Powers Agreement.

Law

The term “Law” means the Joint Exercise of Powers Act of the State of California (being Section 6500 *et seq.* of the Government Code of the State of California, as amended) and all laws amendatory thereof or supplemental thereto.

Lender

The term “Lender” means Wells Fargo Municipal Capital Strategies, LLC, and its successors and assigns.

LVMWD

The term “LVMWD” means Las Virgenes Municipal Water District, a municipal water district that is that is duly organized and existing under the Municipal Water District Act (Section 71000 *et seq.* of the Water Code of the State of California).

Manager

The term “Manager” means the General Manager of LVMWD, performing the duties of the Administering Agent set forth in Section 6 of the Operating JPA Joint Powers Agreement on behalf of the Operating JPA.

Net Proceeds

The term “Net Proceeds” means, when used with respect to any casualty insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all expenses (including attorneys’ fees) incurred in the collection of such proceeds.

Operation and Maintenance Costs

The term “Operation and Maintenance Costs” means, collectively: (i) “variable operation and maintenance costs” and “fixed operation and maintenance costs” of the Joint System and the Project, as such terms are defined in Section 13 of the Operating JPA Joint Powers Agreement; and (ii) other

costs spent or incurred for maintenance and operation of the Project calculated in accordance with generally accepted accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Project in good repair and working order, and including administrative costs of the Operating JPA, including but not limited to salaries and wages of employees of the Administering Agent, payments to the Public Employees Retirement System (if any), overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys, consultants or engineers and insurance premiums; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature.

Operating JPA

The term “Operating JPA” means Las Virgenes-Triunfo Joint Powers Authority, a joint exercise of powers agency that is duly organized pursuant to the Operating JPA Joint Powers Agreement and existing under and by virtue of the laws of the State of California.

Operating JPA Joint Powers Agreement

The term “Operating JPA Joint Powers Agreement” means the Joint Exercise of Powers Agreement, dated January 26, 2009, as amended from time to time, by and between LVMWD and TWSD, relating to joint facilities of LVMWD and TWSD, pursuant to which the Operating JPA was established.

Payment Agreement

The term “Payment Agreement” means, collectively, the Payment Agreements, each dated as of ____ 1, 2026, by and among the Operating JPA, the Financing JPA and each Project Participant, as amended, supplemented, restated or otherwise modified from time to time.

Project

The term “Project” means the additions, betterments, extensions and improvements to the Operating JPA’s Joint System facilities, including real property and buildings, if any, which are described as such in Exhibit A, to the extent: (i) approved pursuant to the California Environmental Quality Act; and (ii) paid for with the drawings under the Credit Facility, and as modified in conformance with Section 3.02 hereof.

Project Participant

The term “Project Participant” means LVMWD or TWSD.

Purchase Price

The term “Purchase Price” means the principal amount to be paid from time to time by the Operating JPA to the Financing JPA hereunder as the purchase price of the 2024 Project, being equal to the aggregate principal amount of loans, term loans and other obligations outstanding pursuant to the Credit Facility, plus interest thereon, in each case as provided for in the Credit Facility.

Revenues

The term “Revenues” means amounts paid by the Project Participants directly to the Financing JPA under the Payment Agreement.

Tax Certificate

The term “Tax Certificate” means the Tax Certificate dated the date of Credit Facility, concerning certain matters pertaining to the use and investment of proceeds of the draws on the Credit Facility executed by and delivered to the Financing JPA, including any and all exhibits attached thereto.

2026 Installment Payment Date

The term “2026 Installment Payment Date” means the dates on which Installment Payments are required to be made, as set forth in Section 4.03.

2026 Installment Payments

The term “2026 Installment Payments” means the Installment Payments scheduled to be paid by the Operating JPA under and pursuant to this Installment Purchase Agreement.

TWSD

The term “TWSD” means Triunfo Water & Sanitation District, a county sanitation district that is duly organized and existing under the County Sanitation District Act (Health & Safety Code Section 4700 *et seq.* of the State of California).

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations by the Operating JPA. The Operating JPA makes the following representations:

(a) The Operating JPA is a joint exercise of powers agency that is duly organized and existing under and pursuant to the laws of the State of California and the Operating JPA Joint Powers Agreement.

(b) The Operating JPA has full legal right, power and authority to enter into this Installment Purchase Agreement, carry out its obligations hereunder and carry out and consummate all other transactions that are contemplated by this Installment Purchase Agreement, and the Operating JPA has complied with the provisions of the Law in all matters relating to such transactions.

(c) By proper action, the Operating JPA has duly authorized the execution, delivery and due performance of this Installment Purchase Agreement.

(d) The Operating JPA will not take or, to the extent within its power, permit any action to be taken which results in the interest that is paid for the installment purchase of the Project under

the terms of this Installment Purchase Agreement being included in the gross income of the Financing JPA or its assigns for purposes of federal or State of California personal income taxation.

(e) The Operating JPA has determined that it is necessary and proper for Operating JPA uses and purposes within the terms of the Law that the Operating JPA finance and acquire the Project in the manner that is provided for in this Installment Purchase Agreement in order to provide essential services and facilities to persons residing in the Operating JPA service territory.

(f) This Installment Purchase Agreement constitutes an “Indenture” as defined in and for purposes of the Payment Agreement.

Section 2.02. Representations and Warranties by the Financing JPA. The Financing JPA makes the following representations and warranties:

(a) The Financing JPA is a joint exercise of powers agency that is duly organized under the Financing JPA Joint Powers Agreement and in good standing under the laws of the State of California, has full legal right, power and authority to enter into this Installment Purchase Agreement and to carry out and consummate all transactions that are contemplated by this Installment Purchase Agreement and by proper action has duly authorized the execution and delivery and due performance of this Installment Purchase Agreement.

(b) The execution and delivery of this Installment Purchase Agreement and the consummation of the transactions herein contemplated will not violate any provision of law, any order of any court or other agency of government, or any indenture, material agreement or other instrument to which the Financing JPA is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Financing JPA.

(c) The Financing JPA will not take or permit any action to be taken which results in interest that is paid for the installment purchase of the Project under the terms of this Installment Purchase Agreement being included in the gross income of the Financing JPA or its assigns for purposes of federal or State of California personal income taxation.

(d) This Installment Purchase Agreement constitutes an “Indenture” as defined in and for purposes of the Payment Agreement.

ARTICLE III

ACQUISITION AND CONSTRUCTION OF PROJECT

Section 3.01. Acquisition and Construction of the Project. The Financing JPA hereby agrees to cause the Project and any additions or modifications thereto to be constructed, acquired and installed by the Operating JPA as its agent. The Operating JPA (or its Administering Agent) shall enter into contracts and provide for, as agent for the Financing JPA, the complete design, construction, acquisition and installation of the Project in accordance with all applicable laws. The Operating JPA hereby agrees that it will cause the construction, acquisition and installation of the Project to be diligently performed. It is hereby expressly understood and agreed that the Financing

JPA shall be under no liability of any kind or character whatsoever for the payment of any cost of the Project and that all such costs and expenses shall be paid by the Operating JPA.

Section 3.02. Changes to the Project. The Operating JPA may substitute other improvements for those listed as components of the Project in Exhibit A, but only if the Operating JPA first files with the Financing JPA a statement of the Operating JPA in the form attached as Exhibit B: (a) identifying the improvements to be substituted and the improvements to Operating JPA facilities they replace in the Project; (b) stating that the estimated costs of construction, acquisition and installation of the substituted improvements are not less than such costs for the improvements previously planned; and (c) stating that such substituted improvements will not reduce the Revenues payable by the Project Participants or otherwise adversely affect the payment of the Installment Payments.

Section 3.03. Acquisition Fund. There is hereby established with the Operating JPA a separate fund designated as the "Acquisition Fund." The moneys in the Acquisition Fund shall be held by the Operating JPA in trust and applied to the payment of the costs of design, planning acquisition and construction of the Project and of expenses incidental thereto. Before any payment is made from the Acquisition Fund by the Operating JPA, the Manager, acting as agent of the Financing JPA, shall cause to be filed with the Chair of the Operating JPA a certificate of the Operating JPA in the form set forth in Exhibit C.

Upon receipt of each such certificate, the Deputy Treasurer of the Operating JPA will pay the amount that is set forth in such certificate as directed by the terms thereof or disburse funds to the Operating JPA for such payment as directed by the Operating JPA in such certificate. The Deputy Treasurer of the Operating JPA need not make any such payment if it has received notice of any lien, right to lien, attachment upon or claim affecting the right to receive payment of any of the moneys to be so paid, which has not been released or will not be released simultaneously with such payment.

When the Project shall have been constructed and acquired in accordance with this Installment Purchase Agreement, a statement of the Operating JPA stating the fact and date of such acquisition, construction and acceptance and stating that all of such costs of acquisition and incidental expenses have been determined and paid (or that all of such costs and expenses have been paid less specified claims which are subject to dispute and for which a retention in the Acquisition Fund is to be maintained in the full amount of such claims until such dispute is resolved), shall be delivered to the Deputy Treasurer of the Operating JPA and the Lender by the Manager. Upon the receipt of such statement, the Deputy Treasurer of the Operating JPA shall apply any remaining balance in the Acquisition Fund which is not needed for Acquisition Fund purposes (but less the amount of any such retention, which amount shall be certified to the Deputy Treasurer of the Operating JPA by the Manager) to pay 2026 Installment Payments pro rata with respect to each Project Participant's share thereof.

Section 3.04. Purchase and Sale of the Project. In consideration for the 2026 Installment Payments, the Financing JPA agrees to sell, and hereby sells, to the Operating JPA, and the Operating JPA agrees to purchase, and hereby purchases, from the Financing JPA, the Project at the purchase price that is specified in Section 4.02 hereof and otherwise in the manner and in accordance with the provisions of the Installment Purchase Agreement.

Section 3.05. Title. All right, title and interest in each component of the Project located in Los Angeles County shall vest in LVMWD on behalf of the Operating JPA immediately upon

acquisition or construction thereof. All right, title and interest in each component of the Project located in Ventura County shall vest in TWSD on behalf of the Operating JPA immediately upon acquisition or construction thereof. Such vesting shall occur without further action by the Financing JPA, the Operating JPA, LVMWD, or TWSD, and the Financing JPA shall, if requested by the Operating JPA or if necessary to assure such automatic vesting, deliver any and all documents which are required to assure such vesting.

ARTICLE IV

INSTALLMENT PAYMENTS

Section 4.01. Term. The term of this Agreement shall commence on the Closing Date and shall end on the date on which the Operating JPA shall have paid all 2026 Installment Payments and all other amounts due and payable hereunder and under the Credit Facility.

Section 4.02. Purchase Price.

(a) The Purchase Price to be paid by the Operating JPA hereunder to the Financing JPA is the sum of the principal amount of the Operating JPA's obligations hereunder plus the interest to accrue on the unpaid balance of such principal amount from the effective date hereof over the term hereof, subject to prepayment as provided in Article VII.

(b) The principal amount of the Purchase Price to be made by the Operating JPA hereunder is equal to the aggregate amount of Loans and Term Loans (each as defined in the Credit Facility), to the Financing JPA and/or the Operating JPA and all other Obligations (as defined in the Credit Facility), in each case, outstanding from time to time pursuant to the Credit Facility.

(c) The interest to accrue on the unpaid principal amount of the Purchase Price shall be equal to the interest payable with respect to the aggregate amount of Loans and Term Loans to the Financing JPA and/or the Operating JPA and all other Obligations, in each case, outstanding from time to time pursuant to the Credit Facility as provided in the Credit Facility, and shall be paid by the Operating JPA as and constitute interest paid on the principal amount of the Operating JPA's obligations hereunder.

Section 4.03. 2026 Installment Payments. The Operating JPA shall, subject to its rights of prepayment provided in Article VII, cause the Project Participants to pay their respective shares of the Purchase Price to the Financing JPA in accordance with the Payment Agreement. The 2026 Installment Payments shall be payable on or before each date on which the Financing JPA and/or the Operating JPA is obligated to pay the principal of and interest on the Loans, Term Loans all other Obligations in accordance with the Credit Facility, and shall be equal to the amounts required to be paid by the Financing JPA and/or the Operating JPA pursuant to the Credit Facility at such times and in such amounts as specified in the Credit Facility.

The Operating JPA shall cause each 2026 Installment Payment to be paid to the Financing JPA by the Project Participants in lawful money of the United States of America. In the event that the Project Participants fail to make any of the payments which are required to be made by it under this section, such payment shall continue as an obligation of the Operating JPA until such amount shall have been fully paid, and the Operating JPA shall cause the Project Participants to agree to pay

the same with interest accruing thereon at the rate or rates of interest then applicable to the remaining unpaid principal balance of the 2026 Installment Payments if paid in accordance with their terms.

ARTICLE V

SECURITY

Section 5.01. Pledge of Revenues. (i) The Revenues and any other amounts which are held in any fund or account that is established pursuant to the Installment Purchase Agreement are irrevocably pledged to the payment of the 2026 Installment Payments. The Revenues shall not be used for any other purpose while any of the 2026 Installment Payments remain unpaid; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted herein. This pledge shall constitute a first lien on Revenues and the other funds and accounts that are created hereunder for the payment of the 2026 Installment Payments and all other Contracts in accordance with the terms hereof and of the Credit Facility. The Operating JPA shall cause the Project Participants to pay their respective shares of the 2026 Installment Payments under the Payment Agreement from Net Revenues (as such term is defined in the Payment Agreement).

(ii) The pledge in this Section is made pursuant to Section 10 of each Payment Agreement and, pursuant thereto, the Financing JPA hereby pledges to the Lender, as a Holder of Project Bonds, all of the payments received under each Payment Agreement from each Purchaser, on a parity with pledge of such payments to the payment of any other Project Bonds issued or incurred on a parity with the 2026 Installment Payments. The Financing JPA assigns to the Lender, as a Holder of Project Bonds, (a) the portions of the payments received under each Payment Agreement from each Purchaser representing each such Purchaser's Allocated Share (as such term is defined in the respective Payment Agreement) of the 2026 Installment Payments in the amounts set forth in Exhibit A of the respective Payment Agreement and (ii) the Financing JPA's other rights and interests under each Payment Agreement. The Financing JPA hereby determines that such pledge and assignment shall be made effective for such time as the Credit Facility is in effect and hereby provides that the Lender, as a Holder of Project Bonds, has the power to enforce each Payment Agreement in the event of a default by the Financing JPA hereunder.

Section 5.02. Additional Contracts. In the event that the Financing JPA issues additional Project Bonds (as such term is defined in the Payment Agreement), the Operating JPA shall simultaneously execute a related Contract that causes the Project Participants to amend the Payment Agreement to increase the amounts payable thereunder by the Project Participants from Purchaser Revenues (as such term is defined in the Payment Agreement) to a sum that is sufficient to pay 100% of additional debt service in connection with such proposed additional Contract.

Notwithstanding the foregoing, Contracts may be incurred to refund outstanding Contracts if, after giving effect to the application of the proceeds thereof, total debt service payable under the Payment Agreement will not be increased in any Fiscal Year in which Contracts (outstanding on the date of issuance or incurrence of such refunding Contracts, but excluding such refunding Contracts) not being refunded are outstanding.

ARTICLE VI

COVENANTS OF THE OPERATING JPA

Section 6.01. Compliance with Installment Purchase Agreement and Ancillary Agreements. The Operating JPA will punctually cause the 2026 Installment Payments to be paid in strict conformity with the terms hereof and of the Credit Facility and the Payment Agreement, and will faithfully observe and perform all of the agreements, conditions, covenants and terms contained herein which are required to be observed and performed by it, and will not terminate this Installment Purchase Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Joint System or the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Financing JPA to observe or perform any agreement, condition, covenant or term which is contained herein and required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected herewith, the insolvency, or deemed insolvency, bankruptcy or liquidation of the Financing JPA or any force majeure, including acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lock outs, lack of transportation facilities, fire, explosion or acts or regulations of governmental authorities.

The Operating JPA shall enforce all terms of the Payment Agreement, including pursuing remedies in the event that a Project Participant fails to undertake its payment obligations thereunder. The Operating JPA shall also maintain and operate the Joint System and the Project in accordance with Section 6.07 hereof and with the Operating JPA Joint Powers Agreement and collect all amounts from the Project Participants under the Operating JPA Joint Powers Agreement that are necessary to maintain and operate the Joint System and the Project. The foregoing obligation includes the obligation set forth in Section 6.14.

The Operating JPA will faithfully observe and perform all of the agreements, conditions, covenants and terms which are required to be observed and performed by it pursuant to all outstanding Contracts as such may from time to time be executed or issued, as the case may be.

Section 6.02. Against Encumbrances. The Operating JPA will not make any pledge of or place any lien on Revenues except as provided herein. In addition, the Operating JPA may at any time, or from time to time, issue evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of and lien on Revenues, provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein.

Section 6.03. Against Sale or Other Disposition of Property. The Operating JPA will not enter into any agreement or lease which impairs the operation of the Joint System, the Project or any part thereof necessary to secure adequate Revenues for the payment of the 2026 Installment Payments, or which would otherwise impair the rights of the Financing JPA hereunder or the operation of the Project. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Project, or any material or equipment which has become worn out, may be sold if such sale will not impair the ability of the Operating JPA to pay the 2026 Installment Payments and if the proceeds of such sale are applied to pay 2026 Installment Payments pro rata with respect to each Project Participant's share thereof.

Nothing herein shall restrict the ability of the Operating JPA to sell any portion of the Project if such portion is immediately repurchased by the Operating JPA and if such arrangement cannot by its terms result in the purchaser of such portion of the Project exercising any remedy which would deprive the Operating JPA of or otherwise interfere with its right to own and operate such portion of the Project.

Section 6.04. Covenant to Maintain Tax-Exempt Status. Notwithstanding any other provision of this Installment Purchase Agreement, absent an opinion of Note Counsel that the exclusion from gross income of the interest component of the 2026 Installment Payments will not be adversely affected for federal income tax purposes, the Operating JPA covenants to comply with all applicable requirements of the Internal Revenue Code which are necessary to preserve such exclusion from gross income with respect to the 2026 Installment Payments and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) **Private Activity.** The Operating JPA will take no action or refrain from taking any action, and the Operating JPA will make no use of the proceeds of the draws on the Credit Facility or of any other moneys or property, which would cause the 2026 Installment Payments to be “private activity bonds” within the meaning of Section 141 of the Code;

(b) **Arbitrage.** The Operating JPA will make no use of the proceeds of the draws on the Credit Facility or of any other amounts or property, regardless of the source, and the Operating JPA will not take any action or refrain from taking any action, which will cause the 2026 Installment Payments to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(c) **Federal Guarantee.** The Operating JPA will make no use of the proceeds of the draws on the Credit Facility, and the Operating JPA will not take or omit to take any action, that would cause the 2026 Installment Payments to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(d) **Information Reporting.** The Operating JPA will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code which is necessary to preserve the exclusion of interest on the interest component of the 2026 Installment Payments pursuant to Section 103(a) of the Code;

(e) **Hedge Bonds.** The Operating JPA will make no use of the proceeds of the draws on the Credit Facility or any other amounts or property, regardless of the source, and the Operating JPA will not take any action or refrain from taking any action, that would cause the 2026 Installment Payments to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the Operating JPA takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of the interest component of the 2026 Installment Payments for federal income tax purposes; and

(f) **Miscellaneous.** The Operating JPA will not take any action or refrain from taking any action which is inconsistent with its expectations stated in the Tax Certificate executed by the Operating JPA in connection with the execution and delivery of the Credit Facility and will comply with the covenants and requirements that are stated therein and incorporated by reference herein.

Section 6.05. [Reserved].

Section 6.06. Prompt Acquisition and Construction. The Operating JPA will take all necessary and appropriate steps to acquire and construct the Project, as agent of the Financing JPA, with all practicable dispatch and in an expeditious manner and in conformity with law so as to complete the same as soon as possible.

Section 6.07. Maintenance and Operation of the Project. The Operating JPA will maintain and preserve the Joint System (including the Project) in good repair and working order at all times and will operate the Joint System (including the Project) in an efficient and economical manner and will pay, or cause the Project Participants to pay, all Operation and Maintenance Costs thereof as they become due and payable in accordance with the Operating JPA Joint Powers Agreement.

Section 6.08. Payment of Claims. The Operating JPA will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Revenues or the funds or accounts created hereunder or on any funds in the hands of the Operating JPA pledged to pay the 2026 Installment Payments, or which might impair the security of the 2026 Installment Payments.

Section 6.09. Compliance with Contracts. The Operating JPA will neither take nor omit to take any action under any contract if the effect of such act or failure to act would in any manner impair or adversely affect the ability of the Operating JPA to pay Installment Payments, or to cause the Project Participants to pay amounts due under the Payment Agreement; and the Operating JPA will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in all contracts affecting or involving the Project or the Joint System, to the extent that the Operating JPA is a party thereto.

Section 6.10. Insurance.

(a) The Operating JPA will procure and maintain or cause to be procured and maintained insurance on the Project with responsible insurers in such amounts and against such risks (including damage to or destruction of the Joint System or the Project) as are usually covered in connection with water and wastewater systems similar to the Joint System or the Project, as applicable, so long as such insurance is available from reputable insurance companies.

In the event of any damage to or destruction of the Project or the Joint System caused by the perils covered by such insurance, the Net Proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Project or the Joint System, respectively. The Operating JPA shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such Net Proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Project and the Joint System shall be free and clear of all claims and liens.

If such Net Proceeds exceed the costs of such reconstruction, repair or replacement portion of the Project, respectively, and/or the cost of the construction of additions, betterments, extensions or improvements to the Project, respectively, then the excess Net Proceeds shall be applied to prepay, ratably without any discrimination or preference, the 2026 Installment Payments and any other Installment Payments in accordance with the provisions of other Contracts.

(b) The Operating JPA will procure and maintain such other insurance as it shall deem advisable or necessary to protect its interests and the interests of the Financing JPA, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with water and wastewater systems similar to the Project and the Joint System, as applicable.

(c) Any insurance that is required to be maintained by paragraph (a) above and, if the Operating JPA determines to procure and maintain insurance pursuant to paragraph (b) above, such insurance, may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner usually maintained in connection with water and wastewater systems similar to the Project and the Joint System, as applicable, and is, in the opinion of an accredited actuary, actuarially sound.

All policies of insurance which are required to be maintained herein shall provide that the Financing JPA shall be given thirty (30) days written notice of any intended cancellation thereof or reduction of coverage provided thereby.

Section 6.11. Accounting Records; Financial Statements and Other Reports. The Operating JPA will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Operating JPA, which records shall be available for inspection by the Financing JPA at reasonable hours and under reasonable conditions.

Section 6.12. Protection of Security and Rights of the Financing JPA. The Operating JPA will preserve and protect the security hereof and the rights of the Financing JPA and the Lender to the 2026 Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 6.13. Payment of Taxes and Compliance with Governmental Regulations. The Operating JPA will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Joint System, the Project, or any part thereof or upon the Revenues when the same shall become due. The Operating JPA will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Joint System, the Project, or any part thereof, but the Operating JPA shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

Section 6.14. Covenant to Budget.

(a) To the fullest extent permitted by law, the Operating JPA shall, at the commencement of each Fiscal Year, adopt a budget for the Joint System and the Project under the Operating JPA Joint Powers Agreement pursuant to which the Project Participants agree: (i) to pay Operation and Maintenance Costs; and (ii) to pay all amounts due under the Credit Facility and the Payment Agreement.

(b) The Operating JPA may make adjustments from time to time in such budget and may make such classifications thereof as it deems necessary, but shall not reduce budgeted amounts payable by the Project Participants unless the revenues from such reduced amounts (including Revenues payable under the Payment Agreement) will at all times be sufficient to meet the requirements of this Section.

(c) If amounts to be collected by the Operating JPA under a budget are determined after the commencement of a Fiscal Year to be insufficient to pay all Operation and Maintenance Costs and amounts due under the Credit Facility and the Payment Agreement as contemplated herein, the Operating JPA shall notify the Project Participants of such insufficiency and amend the budget for such Fiscal Year such that each Project Participant pays its allocable share of such insufficiency.

Section 6.15. Collection of Rates and Charges. The Operating JPA will have in effect at all times by-laws, rules and regulations requiring each Project Participant to pay their allocable share of Operation and Maintenance Costs, including to satisfy the requirements set forth in Section 6 of the relevant Payment Agreement.

Section 6.16. Eminent Domain Proceeds. If all or any part of the Project shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(a) If: (1) the Operating JPA files with the Financing JPA and the Lender a certificate showing: (i) the estimated loss of annual revenues, if any, suffered or to be suffered by the Operating JPA by reason of such eminent domain proceedings; (ii) a general description of the additions, betterments, extensions or improvements to the Project that are proposed to be acquired and constructed by the Operating JPA from such Net Proceeds; and (iii) an estimate of the additional annual revenues to be derived from such additions, betterments, extensions or improvements; and (2) the Operating JPA, on the basis of such certificate, determines that the estimated additional annual revenues will sufficiently offset the estimated loss of annual revenues resulting from such eminent domain proceedings so that the ability of the Operating JPA to meet its obligations hereunder from Revenues will not be substantially impaired (which determination shall be final and conclusive), then the Operating JPA shall promptly proceed with the acquisition and construction of such additions, betterments, extensions or improvements substantially in accordance with such certificate and such Net Proceeds shall be applied for the payment of the costs of such acquisition and construction, and any balance of such Net Proceeds not required by the Operating JPA for such purpose shall be applied to pay 2026 Installment Payments pro rata with respect to each Project Participant's share thereof.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied by the Operating JPA to prepay, ratably without any discrimination or preference, the 2026 Installment Payments and any other debt service in accordance with the provisions of any Contracts.

Section 6.17. Further Assurances. The Operating JPA will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Financing JPA and the Lender of the rights and benefits provided to them herein.

Section 6.18. Enforcement of Contracts. So long as any Obligations are outstanding, and subject to Section 10.14 hereof, the Operating JPA will not voluntarily consent to or permit any rescission of, nor will it consent to any amendment to or otherwise take any action under or in connection with any contracts previously or hereafter entered into unless the Board of Directors of the Operating JPA determines by resolution that such rescission or amendment would not materially adversely affect the ability of the Operating JPA to pay the 2026 Installment Payments.

ARTICLE VII

PREPAYMENT OF 2026 INSTALLMENT PAYMENTS

Section 7.01. Prepayment.

(a) (i) The 2026 Installment Payments shall be prepaid in whole or in part on any date on which the Financing JPA and/or the Operating JPA is required to prepay amounts payable under the Credit Facility. (ii) The Operating JPA may prepay the 2026 Installment Payments as a whole, or in part, on any date in the order of payment date as directed by the Operating JPA, from moneys prepaid by one or more Project Participants under Section 5 of the Payment Agreement, and on the terms and conditions at which the Financing JPA and/or the Operating JPA is permitted to prepay amounts owed pursuant to the Credit Facility.

(b) Notwithstanding any such prepayment, the Operating JPA shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price shall have been fully paid and the Credit Facility has been terminated and all amounts payable thereunder shall have been fully paid.

Section 7.02. Method of Prepayment. Before making any prepayment pursuant to Section 7.01, the Operating JPA shall, within five (5) days following the event permitting the exercise of such right to prepay or creating such obligation to prepay, give written notice to the Financing JPA and the Lender describing such event and specifying the date on which the prepayment will be paid, which date shall be not less than ten (10) Business Days from the date that such notice is given.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE FINANCING JPA

Section 8.01. Events of Default. The following constitute Events of Default:

(a) if default shall be made by the Operating JPA in the due and punctual payment of any 2026 Installment Payment or any Contract when and as the same shall become due and payable;

(b) if default shall be made by the Operating JPA in the performance of any of the agreements or covenants which are required herein to be performed by it, and such default shall have continued for a period of sixty (60) days after the Operating JPA shall have been given notice in writing of such default by the Financing JPA;

(c) if the Operating JPA shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Operating JPA seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Operating JPA or of the whole or any substantial part of its property;

(d) if an “Event of Default” (as defined in the Credit Facility) under the Credit Facility occurs; or

(e) if payment of the principal of any Contract is accelerated in accordance with its terms;

then and in each and every such case during the continuance of an Event of Default, the Financing JPA shall immediately notify the Lender of an Event of Default and follow any written directions of the Lender, which may include a direction to declare the entire principal amount of the unpaid 2026 Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding; provided that the unpaid Purchase Price shall automatically become due and payable without the action of the Financing JPA or any other person if the unpaid Obligations shall have become immediately due and payable. Notwithstanding anything to the contrary set forth herein, the Financing JPA shall not have the right to (i) declare the unpaid Purchase Price immediately due and payable or (ii) exercise any other rights or remedies hereunder following the occurrence of an Event of Default, in each case, without the prior written direction of the Lender.

Section 8.02. Application of Funds Upon Acceleration. Upon the date of the declaration of (or automatic, as applicable) acceleration as provided in Section 8.01, all Revenues thereafter received by the Financing JPA shall be applied in the following order:

First, to the payment, without preference or priority, and in the event of any insufficiency of such Revenues ratably without any discrimination or preference, of the fees, costs and expenses of the Financing JPA, the WIFIA Lender, any agents and assignees of each of the foregoing as the case may be or the trustee with respect to any Project Bonds or Contracts, in carrying out the provisions of this Article VIII, including reasonable compensation to their respective accounts and counsel; and

Second, to the payment, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, of the entire principal amount of the unpaid 2026 Installment Payments and the unpaid principal amount of all Project Bonds and Contracts and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the 2026 Installment Payments and such Project Bonds and Contracts if paid in accordance with their respective terms.

Section 8.03. Remedies of the Financing JPA. Upon the occurrence and during the continuance of an Event of Default, the Financing JPA shall have the right (but only following the prior written direction of the Lender):

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Operating JPA or any director, officer or employee thereof, and to compel the Operating JPA or any such director, officer or employee to perform and carry out its or his or her duties under the Law and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Financing JPA; or

(c) by suit in equity upon the happening of an Event of Default to require the Operating JPA and its directors, officers and employees to account as the trustee of an express trust

Notwithstanding anything contained herein, the Financing JPA shall not have a security interest in or mortgage on the Project, the Joint System or other assets of the Operating JPA, and no default hereunder shall result in the loss of the Project, the Joint System or other assets of the Operating JPA.

Section 8.04. [Reserved].

Section 8.05. Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the Operating JPA, which is absolute and unconditional, to pay the 2026 Installment Payments to the Financing JPA at the respective due dates or upon prepayment from the Revenues and the other funds herein pledged for such payment, or shall affect or impair the right of the Financing JPA and the Lender, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Financing JPA or the Lender shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Financing JPA, the Operating JPA or the Lender to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy that is conferred upon the Financing JPA, the Operating JPA or the Lender by the Law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Financing JPA or the Lender.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Financing JPA or the Lender, the Operating JPA, the Financing JPA and the Lender shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 8.06. Remedies Not Exclusive. No remedy that is conferred upon or reserved to the Financing JPA or the Lender herein is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

ARTICLE IX

DISCHARGE OF OBLIGATIONS

Section 9.01. Discharge of Obligations. When:

(a) all or any portion of the 2026 Installment Payments shall have become due and payable in accordance herewith or a written notice of the Operating JPA to prepay all or any portion of the 2026 Installment Payments shall have been filed with the Financing JPA; and

(b) there shall have been irrevocably deposited with the Financing JPA at or prior to the 2026 Installment Payment Date or dates specified for prepayment, in trust for the benefit of the Financing JPA or its assigns and irrevocably appropriated and set aside to the payment of all or any portion of the 2026 Installment Payments, sufficient moneys and direct, noncallable general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), or noncallable obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by the United States of America, the principal of and interest on which when due will provide money that is sufficient in the opinion of an Independent Certified Public Accountant to pay all principal, prepayment premium, if any, and interest of such 2026 Installment Payments to their respective 2026 Installment Payment Dates and to cause the Obligations to no longer be outstanding under the Credit Facility, as the case may be;

(c) irrevocable provision shall have been made for paying all fees and expenses of the Financing JPA, if any; and

(d) then and in that event, the right, title and interest of the Financing JPA herein and the obligations of the Operating JPA hereunder shall, with respect to all or such portion of the 2026 Installment Payments as have been so provided for, thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Financing JPA and the obligation of the Operating JPA to have such moneys and such securities applied to the payment of such 2026 Installment Payments).

In such event, upon request of the Operating JPA, the Financing JPA shall execute and deliver to the Operating JPA all such instruments as may be necessary or desirable to evidence such total or partial discharge and satisfaction, as the case may be, and, in the event of a total discharge and satisfaction, the Financing JPA shall pay over to the Operating JPA, after payment of all amounts due pursuant to the Credit Facility, as an overpayment of 2026 Installment Payments, all such moneys or such securities held by it pursuant hereto, other than such moneys and such securities as are required for the payment or prepayment of the 2026 Installment Payments, which moneys and securities shall continue to be held by the Financing JPA in trust for the payment of the 2026 Installment Payments and shall be applied by the Financing JPA to the payment of the 2026 Installment Payments of the Operating JPA.

ARTICLE X

MISCELLANEOUS

Section 10.01. Liability Limited. Notwithstanding anything contained herein, the Operating JPA shall not be required to advance any moneys derived from any source of income other than the Revenues and the other funds provided herein for the payment of amounts due hereunder or for the performance of any agreements or covenants that are required to be performed by it contained herein. The Operating JPA may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the Operating JPA for such purpose.

The obligation of the Operating JPA to make the 2026 Installment Payments is a special obligation of the Operating JPA payable from the Revenues and does not constitute a general

obligation debt of the Operating JPA or a debt of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

Section 10.02. Benefits of Installment Purchase Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the Operating JPA, the Financing JPA or the Lender any right, remedy or claim under or pursuant hereto. Each of the Financing JPA and the Operating JPA agrees that the Lender shall be an express third party beneficiary of the Installment Purchase Agreement, and any agreement or covenant that is required herein to be performed by or on behalf of the Operating JPA, the Financing JPA or Lender shall be for the sole and exclusive benefit of the other parties. The Lender, as a Holder of Project Bonds, shall have the right, as a third party beneficiary, to initiate and maintain suit to enforce the Payment Agreement.

Section 10.03. Successor Is Deemed Included in all References to Predecessor. Whenever the Operating JPA, the Financing JPA or the Lender is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Operating JPA, the Financing JPA or the Lender, and all agreements and covenants which are required hereby to be performed by or on behalf of the Operating JPA, the Financing JPA or the Lender shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 10.04. Waiver of Personal Liability. No director, officer or employee of the Operating JPA shall be individually or personally liable for the payment of the 2026 Installment Payments, but nothing contained herein shall relieve any director, officer or employee of the Operating JPA from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 10.05. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith” and other words of similar import refer to the Installment Purchase Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 10.06. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Operating JPA or the Financing JPA shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The Operating JPA and the Financing JPA hereby declare that they would have executed the Installment Purchase Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 10.07. [Reserved].

Section 10.08. Net Contract. The Installment Purchase Agreement shall be deemed and construed to be a net contract, and the Operating JPA shall pay absolutely net during the term hereof the 2026 Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

Section 10.09. California Law. THE INSTALLMENT PURCHASE AGREEMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 10.10. Notices. All written notices to be given hereunder shall be given by mail, facsimile or other electronic transmission or overnight mail or courier to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the Operating JPA: Las Virgenes-Triunfo Joint Powers Authority
c/o Las Virgenes Municipal Water District
4232 Las Virgenes Road
Calabasas, California 91302-1994
Attn: Administering Agent

If to the Financing JPA: Las Virgenes-Triunfo Public Financing Authority
c/o Las Virgenes Municipal Water District
4232 Las Virgenes Road
Calabasas, California 91302-1994
Attention: General Manager

If to the Lender: Wells Fargo Municipal Capital Strategies, LLC

Attention:
Telephone:
Email:

Section 10.11. Effective Date. This Installment Purchase Agreement shall become effective upon its execution and delivery by each of the parties hereto, and shall terminate when the Purchase Price shall have been fully paid and the Credit Facility shall have terminated in accordance with its terms.

Section 10.12. Execution in Counterparts. This Installment Purchase Agreement may be executed in several counterparts by each of the parties hereto, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 10.13. Indemnification. The Operating JPA hereby agrees to indemnify and hold harmless the Financing JPA and its assigns and its officers and directors if and to the extent permitted by law, from and against all claims, advances, damages and losses, including legal fees and expenses, arising out of or in connection with the acceptance or the performance of its duties hereunder and under the Credit Facility; provided that no indemnification will be made for willful misconduct, negligence or breach of an obligation hereunder or under the Credit Facility by the Financing JPA.

Section 10.14. Amendments Permitted.

(a) This Installment Purchase Agreement and the rights and obligations of the Financing JPA and the Operating JPA and of the Lender may be modified or amended at any time by an amendment hereto which shall become binding upon the written consent of the Lender. No such modification or amendment may: (1) extend the fixed maturity of any 2026 Installment Payments, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the rate of interest or the method of computing the rate of interest thereon, or extend the time of payment of interest thereon; or (2) reduce the aforesaid percentage of 2026 Installment Payments, or permit the creation of any lien on the Revenues and other assets pledged under the Installment Purchase Agreement prior to or on a parity with the lien created by the Installment Purchase Agreement except as permitted herein.

(b) This Installment Purchase Agreement and the rights and obligations of the Financing JPA and the Operating JPA may also be modified or amended at any time by an amendment hereto which shall become binding upon adoption, but only to the extent permitted by law and only for any one or more of the following purposes: (1) to add to the covenants and agreements of the Operating JPA contained in the Installment Purchase Agreement other covenants and agreements thereafter to be observed, to pledge or assign additional security for the 2026 Installment Payments (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Operating JPA; (2) 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 Installment Purchase Agreement, or in regard to matters or questions arising under the Installment Purchase Agreement, as the Operating JPA may deem necessary or desirable; and (3) to modify, amend or supplement the Installment Purchase Agreement in such manner as to cause interest on the 2026 Installment Payments to remain excludable from gross income under the Code, if so excludable upon the issuance thereof. No amendment may modify any of the rights or obligations of the Lender without its written consent thereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have executed and attested this Installment Purchase Agreement by their officers thereunto duly authorized as of the day and year first written above.

LAS VIRGENES-TRIUNFO JOINT POWERS
AUTHORITY

formed October 12, 1964 relating to joint facilities of
Las Virgenes Municipal Water District and Triunfo
Water & Sanitation District

By: _____
Chair of the Board

ATTEST:

Secretary of the Board

LAS VIRGENES-TRIUNFO PUBLIC FINANCING
AUTHORITY

By: _____
Chair of the Board

ATTEST:

Secretary of the Board

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Pure Water Project Las Virgenes – Triunfo is located in Los Angeles County, California and consists of design and construction of:

<i>Component</i>	<i>Estimated Capital Cost</i>
a. Upgrades to the existing Tapia Water Reclamation Facility	
b. New Advanced Water Purification Facility	
c. Four (4) additional pipelines: new Source Water, Purified Water, Discharge and Concentrate Pipelines	
d. Upgrades to the Recycled Water Pump Station West	
e. Improvements to the Las Virgenes Reservoir	
TOTAL	

EXHIBIT B

FORM OF SUBSTITUTION STATEMENT

Las Virgenes-Triunfo Public Financing Authority
c/o Las Virgenes Municipal Water District
4232 Las Virgenes Road
Calabasas, California 91302-1994
Attention: Deputy Treasurer

Wells Fargo Municipal Capital Strategies, LLC

The undersigned General Manager of the Las Virgenes Municipal Water District, on behalf of Las Virgenes-Triunfo Joint Powers Authority, a joint exercise of powers agency formed October 12, 1964 relating to joint facilities of Las Virgenes Municipal Water District and Triunfo Water & Sanitation District (the “Operating JPA”), hereby states pursuant to Section 3.02 of the Installment Purchase Agreement, dated as of _____ 1, 2026, by and between the Operating JPA and Las Virgenes-Triunfo Public Financing Authority (the “Installment Purchase Agreement”) that each component of the Project (as such term is defined in the Installment Purchase Agreement) described in the first column of Exhibit A attached hereto, with an estimated cost set forth in the second column of Exhibit A, will be replaced by the corresponding improvement described in the third column of Exhibit A with an estimated cost set forth in the fourth column of Exhibit A.

Dated: _____, 20__

LAS VIRGENES-TRIUNFO JOINT POWERS
AUTHORITY
formed October 12, 1964 relating to joint facilities of
Las Virgenes Municipal Water District and Triunfo
Water & Sanitation District

General Manager of
Las Virgenes Municipal Water District

EXHIBIT A

<i>Components of Project to be Replaced</i>	<i>Cost of Each Components of Project to be Replaced</i>	<i>Improvements to be Substituted</i>	<i>Cost of Each Improvement to be Substituted</i>

EXHIBIT C

FORM OF REQUISITION FROM ACQUISITION FUND

REQUISITION NO. _ FOR DISBURSEMENT FROM ACQUISITION FUND

The undersigned hereby states and certifies:

(i) that the undersigned is the duly appointed, qualified and acting General Manager of Las Virgenes Municipal Water District, and is acting hereunder on behalf of Las Virgenes-Triunfo Joint Powers Authority, a joint exercise of powers agency formed October 12, 1964 relating to joint facilities of Las Virgenes Municipal Water District and Triunfo Water & Sanitation District (the "Operating JPA"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that, pursuant to Section 3.03 of that certain Installment Purchase Agreement, dated as of ____ 1, 2023 (the "Installment Purchase Agreement"), by and between the Las Virgenes-Triunfo Public Financing Authority and the Operating JPA, the undersigned hereby requests the Deputy Treasurer of the Operating JPA to disburse this date the following amounts from the Acquisition Fund relating to the above-captioned obligations, to the payees designated on the attached Exhibit A;

(iii) that each obligation mentioned herein has been incurred by the Operating JPA and is a proper charge against the Acquisition Fund;

(iv) that any approval required under the California Environmental Quality Act, as amended (Division 13 of the California Public Resources Code), prior to the expenditure of such amount for the purpose set forth on the attached Exhibit A has been received and is final; and

(v) that there has not been filed with or served upon the Operating JPA notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the payees named on the attached Exhibit A, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

Dated: _____, 20__

LAS VIRGENES-TRIUNFO JOINT POWERS
AUTHORITY
formed October 12, 1964 relating to joint facilities of
Las Virgenes Municipal Water District and Triunfo
Water & Sanitation District

By: _____
General Manager of Las Virgenes Municipal
Water District

EXHIBIT A

ACQUISITION FUND DISBURSEMENTS

<i>Item Number</i>	<i>Payee Name and Address</i>	<i>Purpose of Obligation</i>	<i>Amount</i>

DATE: April 6, 2026
FROM: Water Operations

SUBJECT: Tapia Water Reclamation Facility Painting and Coatings Program: Award

SUMMARY:

Staff has identified multiple areas at the Tapia Water Reclamation Facility (Tapia) that require replacement of the protective coatings due to normal wear and exposure to process conditions and the environment. The scope of work includes surface preparation and application of paint to prevent corrosion. The required work was publicly advertised, and the project received seven bids from qualified contractors. U.S. National Corp was determined to be the lowest responsive bidder.

Staff recommends awarding an annual contract to U.S. National Corp, in an amount not to exceed \$150,000, with four additional one-year renewal options. U.S. National Corp is experienced in providing industrial coating and protective painting services for infrastructure and facilities similar to those operated by the JPA.

RECOMMENDATION(S):

Authorize the Administering Agent/General Manager to execute a one-year agreement with U.S. National Corp, in a not to exceed amount of \$150,000, with four one-year renewal options to provide on-going painting and coating services at the Tapia Water Reclamation Facility.

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

The cost of the work is not expected to exceed \$150,000 annually. Sufficient funds for the work are available in the proposed Fiscal Year 2025-26 JPA Budget and will be proposed in future fiscal year budgets.

DISCUSSION:

The Tapia Water Reclamation Facility (Tapia) requires regular maintenance to rehabilitate, refresh and protect the various components of the treatment system. These systems include chemical storage tanks, pump stations, exposed piping and other appurtenances. Proper

painting and coatings need to be reapplied to protect and maintain the critical infrastructure for maximum service life.

Annually, staff review areas in need of painting and new protective coatings to ensure reliability of the system infrastructure, while maximizing the useful life of the JPA's assets. The inspections consist of metal thickness testing, inspecting chips or cracking of existing coatings, and reviewing the overall appearance of facilities affected by corrosion or ultraviolet (UV) light degradation. Staff identified specific facilities at Tapia that need to be addressed by professional coating specialists. A solicitation for bids was posted on OpenGov in February 2026 for miscellaneous coating projects at Tapia.

Staff advertised the representative work, including the aqueous ammonia storage tanks, surge tanks, approximately 500 linear feet of 18-inch Return Activated Sludge (RAS) piping, and approximately 500 linear feet of 13-inch RAS piping to create a basis for bidding. Consistent with best practices for procurement, the basis for bidding was intended to be representative of the types of work required for the contract rather than inclusive of all expected work. Seven bids were received with U.S. National Corp being the lowest responsive bidder.

Following is a table that lists the seven bids received with the amounts submitted for the basis for bidding:

<u>Bids Received</u>	<u>Bid Amounts</u>
U.S. National Corp	\$41,500
JT Thorpe	\$45,252
Vital Coatings	\$52,065
Corrosion Analytics/BCS	\$62,660.56
Prime Painting Contractors	\$78,800
Color New Corp	\$129,000
Cal Sierra Construction	\$138,050

U.S. National Corp is qualified to prepare all piping, tanks and valves for complete priming of the substrate and application of two finish coats (minimum 10-millimeter thickness) of epoxy paint in colors approved by the JPA. All areas not receiving coatings would be protected from overspray, including all fittings and lines (brass and stainless steel), gauges, electrical components, actuators, badges and identification signage. Preparation for coatings would include removal of grease/oil, loose chipping and peeling epoxy, rust, calcium and scale. Grinders used in preparation for coatings would be fitted for 3M spark less grinding (or equivalent) with an EDCO High Efficiency Particulate Air (HEPA) Vacuum (Vac) System. All surfaces would be clean and dry prior to application of the epoxy paint.

The contracted work would be for an annual not-to-exceed amount of \$150,000 with four one-year renewal options. The contract would be utilized by staff for coating services based on the highest priorities and needs of the JPA. U.S. National Corp is experienced in providing industrial coating and protective painting services for infrastructure and facilities similar to those operated by the JPA. The contractor is also capable of applying National Sanitation Foundation (NSF) approved coatings where applicable to ensure compliance with regulatory requirements and protection of public health and safety

GOALS:

Construct, Manage and Maintain all Facilities and Provide Services to Assure System Reliability and Environmental Compatibility

Prepared by: Burt Bril, Chief Water Reclamation Plant Operator



DATE: April 6, 2026
TO: JPA Board of Directors
FROM: Water Operations

SUBJECT: Tapia Water Reclamation Facility 003 Outfall Rehabilitation Project: Contract Amendment

The Las Virgenes-Triunfo Joint Powers Authority (JPA) approved funding for this matter in the JPA Budget. On March 25, 2026, the LVMWD Board, acting as Administering Agent of the JPA, authorized the Administering Agent/General Manager to execute an amendment to the professional services agreement with Rincon Consultants, Inc., in the amount of \$4,384, for additional permitting support associated with the Tapia Water Reclamation Facility 003 Outfall Rehabilitation Project.

SUMMARY:

The 003 Outfall, located adjacent to the Tapia Water Reclamation Facility, is used for daily discharge of Tapia groundwater, effluent during high flow periods caused by rain events and flow augmentation to protect endangered fish species. The pipeline rehabilitation project is located in an environmentally sensitive area within the coastal zone under the jurisdiction of the California Coastal Commission. Rincon Consultants, Inc. (Rincon) was retained to support staff through the extensive environmental permitting processes required for the project.

Rincon representatives are currently working through correspondence with Los Angeles County Department of Regional Planning, Coastal Development Services to progress the project to a Coastal Development Permit hearing. These continued efforts require a scope modification, in the amount of \$4,384, for additional support to oversee the process through completion. The proposed contract amendment with Rincon would increase the professional services agreement to a total not-to-exceed amount of \$155,223.

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

The cost of the action is \$4,384. Sufficient funding for the work is available in the adopted Fiscal Year 2025-26 JPA Budget under CIP Job No. 10745. The cost of the work is allocated 70.6% to LVMWD and 29.4% to Triunfo Water and Sanitation District.

DISCUSSION:

One of the capital improvement projects included in the Infrastructure Investment Plan (IIP) is the Tapia Water Reclamation Facility 003 Outfall Rehabilitation Project. The 003-discharge point, or outfall, was constructed in 1979 to convey effluent discharged from Tapia across Malibu Canyon Road and into Malibu Creek through a constructed wetland. Although the constructed wetland is no longer in operation, the outfall is still necessary to discharge effluent during high flow periods caused by rain events and for Tapia groundwater pumping discharge. The 003 outfall is also used to supplement flow in Malibu Creek in the summer season to protect endangered fish species as required in Tapia's NPDES Permit. The outfall is constructed of a 24-inch 10-gauge steel pipeline with asphalt coating and wrapping. The length of the outfall is approximately 2,250 linear feet.

Timeline of Project Progress:

- 2019/2020, staff noticed that discharge was backing up in the 003 pipeline and a CCTV consultant was brought in to conduct a video inspection of the interior of the pipeline. The inspection found holes in the pipeline that soil had dropped through causing water to back up. The CCTV inspection revealed that the pipe has areas of severe scaling, and the asphalt coating is missing in several areas.
- June 2020, JPA Board authorized a professional services agreement to MKN & Associates, Inc. (MKN) for design of repairs to the 003 outfall, in the amount of \$80,937.00.
- October 2020, Rincon Consultants, Inc. was administratively issued a purchase order in the amount of \$8,970, to provide support obtaining Local Coastal Planning (LCP) coastal development permit (CDP) and CEQA clearance for the project to proceed. It was believed that the project would be exempt from both LCP and CEQA because it is a repair of an existing facility.
- January 2021, the L.A. County Planning Coastal Development Services staff informed the JPA that it does not consider this project exempt from Coastal Development Permit (CDP) requirements based upon the presence of H1 Habitat, including protected trees in the project area, and the potential for the project activities to result in adverse impacts to these resources. Additionally, a CDP could require mitigation to reduce potential impacts to a less-than-significant level, and due to the mitigation, the project would no longer qualify as a CEQA Categorical Exemption, requiring an Initial Study with Mitigated Negative Declaration (IS-MND) to be completed.
- January 2021, MKN design complete, final design package placed on hold while awaiting environmental review/permitting.
- March 2021, the JPA Board authorized a professional services agreement in the amount of \$63,981 to Rincon Consultants, Inc. to provide Coastal Development Permit and CEQA Support. This scope change included the CDP process requirements for the preparation of Biological Resources Assessments (BRA) Report, Protected Tree Report, Aquatic Resources Delineation Report, CDP application package, tracking, and hearing support. It also included scope for the anticipated CEQA IS-MND determination.

- May 2022, the CDP application was submitted to Los Angeles County Planning.
- September 2022, the JPA Board authorized a purchase order in the amount of \$9,890 to Rincon, to cover additional efforts to obtain a Letter of Authorization from the California State Parks.
- 2022/2023, LCP Review of CDP application, new requests from the County for the Arborist and BRA reports.
- November 2022, the JPA Board authorized a purchase order in the amount of \$37,663.00 to Rincon, for additional requirements Coastal Development Permit and CEQA Support.
- May 2023, Revised Biological Resource and Arborists Reports submitted to Los Angeles County Planning.
- July 2023, Rincon submitted a draft IS-MND for District review and comment.
- August 2023, Rincon submitted a proposal in the amount of \$18,266.00 to provide additional CEQA project management, CEQA notification services, AB52 Tribal Consultation support, CEQA State Clearinghouse document filing.
- July 2024, the 003 Rehabilitation Project, CEQA IS/MND is reviewed by the LA County Environmental Review Board and determined that the proposed project's biological report as reviewed by the staff biologist, adequately addresses the requirements of the Santa Monica Mountains Local Coast Program.
- August 2024 – The IS/MND is circulated for a 32-day public review period that began on August 15, 2024, and ended on September 16, 2024. Two comment letters were received.
- October 2024, met with Tree People Land Trust to discuss mitigation tree options.
- March 2025, JPA presentation and recommendation to adopt the CEQA IS/MND, accept the proposal from Tree People Land Trust for tree mitigation, and amend the contract scope for MKN.
- Summer 2026, Coastal Development Permit application, heard by the L.A. County Planning Commission.

Below is a summary of the project costs and fee adjustments:

Description	Cost	Cumulative Adjustments	Cumulative percent change
Rincon Consultants, Inc.			
• Purchase Order	\$8,970	---	---
• Professional Services Agreement	\$63,981	---	---
• Scope Modification No. 1	\$9,890	\$73,871	15.4%
• Scope Modification No. 2	\$37,663	\$111,534	74.3%
• Scope Modification No. 3	\$18,266	\$129,800	103%
• Scope Modification No. 4	\$4,608	\$134,408	110%
• Scope Modification No. 5	\$16,431	\$150,839	135%
• Scope Modification No.6	\$4,384	\$155,223	143%

Description of Work:

- Purchase Order - to provide support obtaining Local Coastal Planning (LCP) coastal development permit (CDP) and CEQA clearance for the project to proceed.

- Professional Services Agreement - to provide Coastal Development Permit and CEQA Support.
- Scope Change No. 1 - to cover additional efforts to obtain a Letter of Authorization from the California State Parks.
- Scope Change No. 2 - additional requirements Coastal Development Permit and CEQA Support.
- Scope Change No. 3 - additional CEQA project management, CEQA notification services, AB52 Tribal Consultation support, CEQA State Clearinghouse document filing
- Scope Change No. 4 – expanded project management to continue working with LA County Planning to approve the Coastal Development Permit.
- Scope Change No. 5 – to proceed with required Rare Plant Surveys in accordance with the IS/MND Mitigation Measure BIO-3.
- Proposed Scope Change No. 6 - expanded project management to continue working with LA County Planning to approve the Coastal Development Permit.

GOALS:

Construct, Manage and Maintain all Facilities and Provide Services to Assure System Reliability and Environmental Compatibility

Prepared by: Karen Norman, Administrative Assistant

ATTACHMENTS:

[Proposal by Rincon Consultants, Inc.](#)



January 21, 2026
Rincon Project No. 20-10352

Veronica Hurtado, Water Reclamation Manager
Las Virgenes Municipal Water District
4232 Las Virgenes Road
Calabasas, California 91302
Via email: Vhurtado@lvmwd.com

Subject: Scope Modification Proposal No. 6 for Expanded CDP Public Hearing Support for the Tapia Water Reclamation Facility 003 Outfall Rehabilitation Project

Dear Ms. Hurtado,

The purpose of this letter is to provide a proposal for additional services and amend the existing agreement for the Tapia Water Reclamation Facility 003 Outfall Rehabilitation Project (project) between Rincon Consultants, Inc. (Rincon) and the Las Virgenes Municipal Water District (District). On May 20, 2021, Rincon's scope of work for the preparation of CEQA documentation in the form of an Initial Study with Mitigated Negative Declaration (IS-MND) was approved by the District in the amount of \$63,981. Since 2021, four amendments in June 2022, September 2022, August 2023, and February 2025 were approved for additional work resulting from project design changes, agency processes, and expanded scope to address changes.

This budget adjustment would entail the following modifications to our currently approved tasks, to incorporate the following scope:

- **Task 9, CDP and Implementation Support**, will include additional hours to support project implementation, including review of mitigation and agency permitting requirements and providing a ballpark cost estimate for environmental compliance. This task also includes additional hours for review of the Los Angeles County Regional Planning Coastal Development Permit (CDP) staff report, findings, and conditions of approval and attendance of a Rincon Planner and Biologist at the Planning Commission public hearing to answer questions. The target date for the CDP public hearing is Spring/Summer 2026.

Cost

Based on the revised scope and cost proposed above, we are requesting an additional **\$4,384** for 20 additional staff hours. This would increase the total contract amount from \$150,839 to \$155,223.



Please reach out if you have any questions. We look forward to continuing our work with you on this important project.

Sincerely,
Rincon Consultants, Inc.

A handwritten signature in black ink, appearing to read "Yuh H".

Yuling Huo
Senior Biologist/Arborist

A handwritten signature in black ink, appearing to read "May Lau".

May Lau
Principal

Authorized to contractually obligate and
negotiate on behalf of Rincon Consultants,
Inc.