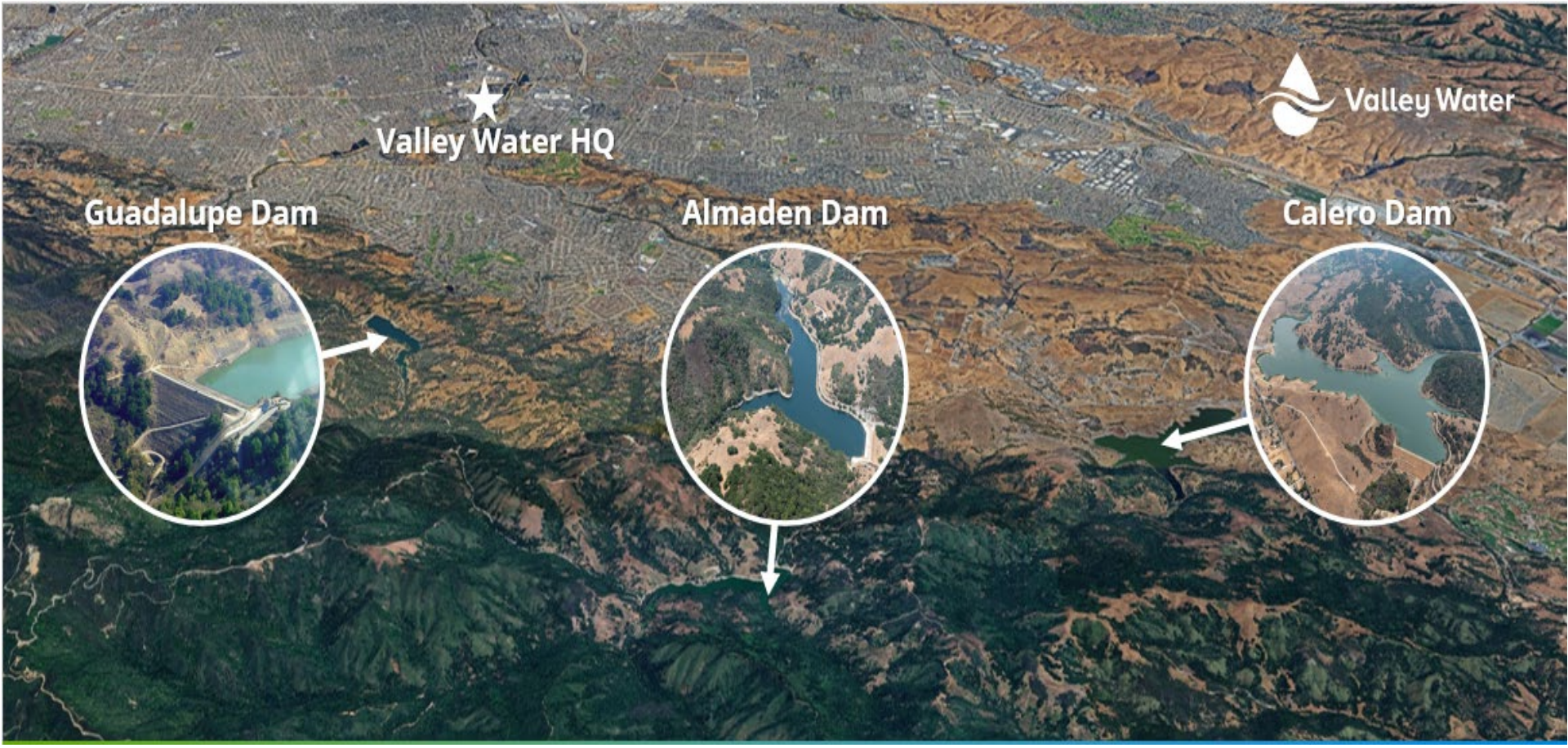

Santa Clara Valley Water District

Dam Safety Program CWIFP Master Program
(Almaden, Calero, Coyote and Guadalupe Dam Seismic Retrofit Projects)

Presented by Charlene Sun, Treasury and Debt Officer, September 2025

Disclaimer

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Discussion Outline

I. Recommendation

II. CWIFP Program Overview

III. CWIFP Master Program & Good Faith Cost Estimate

IV. CWIFP Key Terms

V. Loan 1 Budget

VI. Water Utility Debt Profile

VII. Questions

Recommendation

A. Adopt a Resolution AUTHORIZING THE EXECUTION AND DELIVERY OF CORPS WATER INFRASTRUCTURE FINANCING PROGRAM MASTER AGREEMENTS, CREDIT AGREEMENTS, AND TERM SHEETS AND CERTAIN OTHER DOCUMENTS WITH RESPECT TO THE WATER UTILITY AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH, to obtain Loans of Up to One Billion Dollars for certain Water Enterprise Projects; and

B. Authorize and direct the Chief Executive Officer, the Chief Financial Officer (or any acting or interims of such positions), or their designees, (each an "Authorized Officer"), and such other officers and staff of the Santa Clara Valley Water District, acting singly to do any and all things, to execute and deliver any and all documents which such officers may deem necessary or advisable in order to consummate the execution and delivery of all the Corps Water Infrastructure Financing Program agreements, and the ongoing administration thereof.

CWIFP Program Overview

- The United States Army Corps of Engineers (USACE) administers the Corps Water Infrastructure Financing Program (CWIFP), to provide federal Credit assistance to dam safety and levee projects.

- CWIFP is authorized by the Water Infrastructure Finance and Innovation Act (WIFIA), signed into law on June 10, 2014, per the Water Resources Reform and Development Act of 2014.

- CWIFP may provide up to 80% funding of total project costs at a low cost and risk to taxpayers

- CWIFP is part of the Revolutionize USACE Civil Works initiative, which aims to improve performance and engineer solutions for the nation's toughest challenges by using innovative tools, modernizing internal processes, and pursuing alternative finance approaches.

- Benefits of the CIWFP program include:
  - Low interest rates with minimal interest rate risk: the interest rate is set at the time of loan closing based on the U.S. Treasury Rates;
  - Minimize interest cost: interest accrues only when loan funds have been drawn
  - Customized repayment schedule: the repayment schedule can be structured to start with up to a five-year deferral, and be payable over 35 years after the construction completion.
  - No prepayment penalty: Loans can be prepaid at any time without penalty.

Source: https://www.usace.army.mil/Missions/Civil-Works/Infrastructure/Revolutionize/CWIFP/

CWIFP Master Program & Good Faith Cost Estimate

CWIFP	Master Program	Loan #1
Project Scope	Planning, Design, Permitting, and Construction of the Dam Safety Program: Almaden (91854001), Calero (91874004), Guadalupe (91894002) & Coyote (91884003) Dams	Planning, Design, and Permitting costs for the Almaden, Calero & Guadalupe Dams
Board Authorization	Board Approval of $1 Billion includes $653 million Master Program Amount, an estimated $100 million in capitalized interest and $247 million for a future CWIFP loan for the Coyote Dam project	$112,646,753
CWIFP Interest Rate	Set on each loan closing date, equal to the U.S. Treasury Rate plus 0.01%	
Effective Date*	10/06/2025	10/06/2025
Substantial Completion Date	Stated in each loan	10/1/2032
First Interest	NA	12/1/2032
First Principal	NA	6/1/2037
Final Principal	NA	6/1/2067
True Interest Cost**	5.45%	5.45%
Finance Charge	$5.72M	$1.13M
Net Proceeds	$647.2M	$111.5M
Total Payment	$1.85B	$340.1M
Estimated Savings	$240M	$39.9M

* Subject to change, pending the credit approvals from the USACE and the U.S. Office of Management and Budget

** Based on market conditions as of July 29, 2025, plus 0.50%. Actual results will depend on market conditions on the CWIFP loan closing date.

CWIFP Master Program Key Terms

CWIFP	Master Program	Loan #1
Availability Period	Up to five (5) years from the Effective Date; up to seven (7) loans	Last disbursement is 12 months after Substantial Completion Date (10/1/2033)
Lien Priority	Subordinated lien on the Water Utility System Revenues; spring to Parity Lien in Event of Default	
Pledged Collateral	Water Utility System Revenues, Rate Stabilization Fund, Special Purpose Fund, Project Acquisition Fund and the CWIFP Debt Service Account	
Rate Covenant	At the start of each fiscal year, Valley Water must set Water Utility rates and charges, with other Current Water Utility System Revenues or Net Water Utility System Revenues, to cover the Maintenance and Operation Costs, and all Debt Service, and the Net Water Utility System Revenues must be at least 125% of the Parity Debt and 110% of Subordinate Debt.	
Additional Obligations Test	The Net Water Utility System Revenues (after payment of Maintenance and Operation Costs and Parity Debt Service) for the most recent audited fiscal year, plus changes in rates and charges in effect, shall be equal to at least 110% of the Subordinate Debt Service.	
Reporting/ Compliance	Submit quarterly Monitoring Reports and Eligible Project Cost Reports. Provide Updated Financial Model within 180 days of year-end, and the Annual Financial Statements within 270 days after year-end. Starting with the first Disbursement, perform annual Single Audit, per 2C.F.R. Part 200 Subpart F and 31 U.S.C. § 7502. Must comply with all Laws, including the CWIFP Federal Requirements and Related Laws (e.g., Davis-Bacon and Equal Employment Opportunity, Build America, American Iron and Steel, etc., see Appendix A). Prior to conducting any Site Disturbing Work, demonstrate to CWIFP that all applicable environmental, regulatory and engineering requirements have been met.	
Events of Default	Payment default, bankruptcy, acceleration of obligations, invalidity of CWIFP, covenant default, misrepresentation, enforcement of Related Documents, material adverse judgement	
Default Rate	CWIFP Interest Rate + 2.0%	
Annual Fee	Annual Servicing Fee of $15,000, plus other fees and expenses incurred by CWIFP (e.g. legal counsel, financial advisors, auditors, etc.)	

CWIFP Loan 1 Project Budget

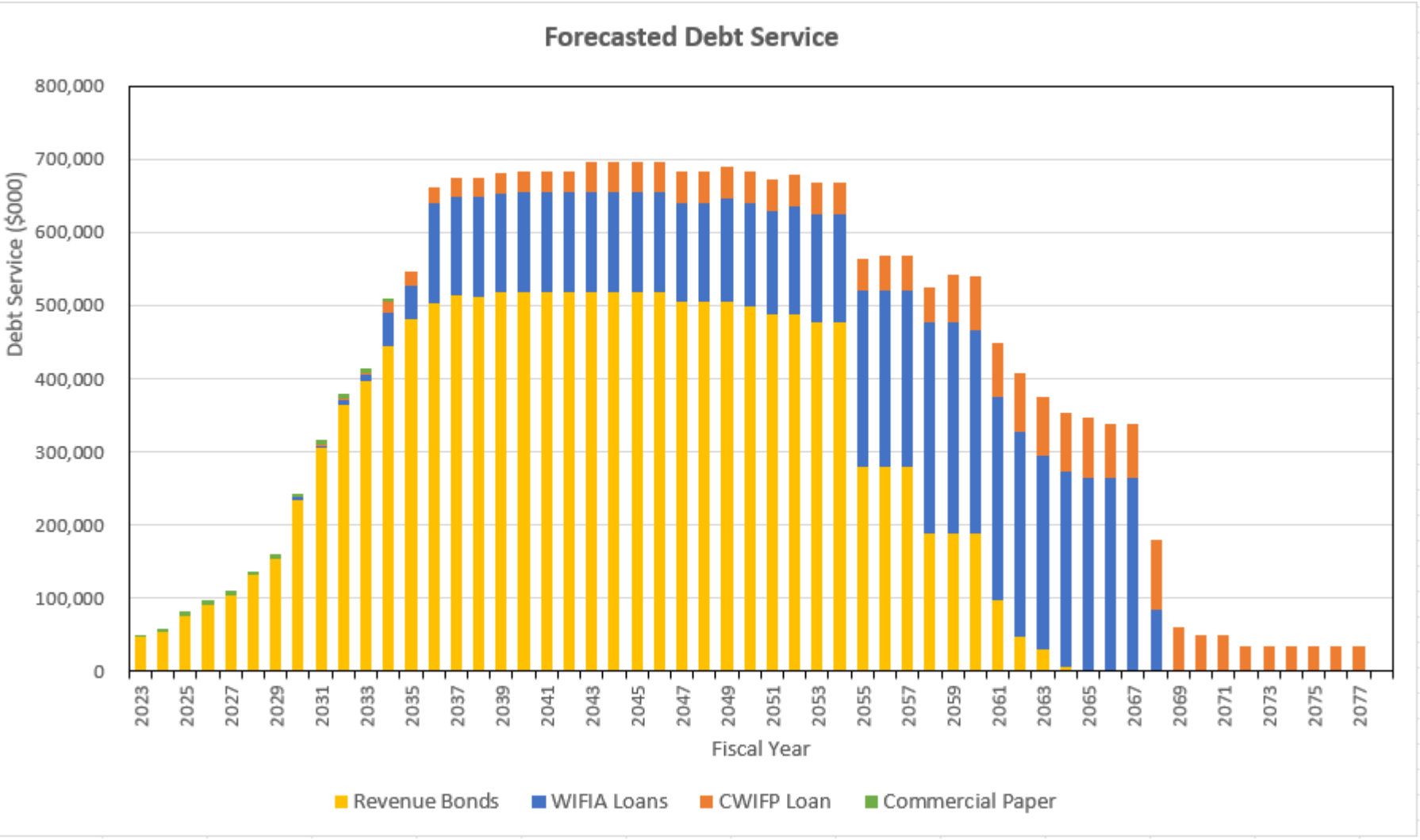
SOURCES OF FUNDS	AMOUNT ($ USD)	PERCENTAGE (%)
CWIFP Credit Assistance	$112,646,753	80.00%
Revenue Bonds	0	0.00
Borrower Cash	28,161,688	20.00
Total Sources of Funds	**$140,808,441**	**100.00%**
USES OF FUNDS		
Design	50,464,397	35.84
Planning	20,530,100	14.58
Land Acquisition	13,000	0.01
Environ/Permitting	10,146,456	7.21
Financing Costs	815,000	0.58
Contingency	58,839,488	41.79
Total Uses of Funds	**$140,808,441**	**100.00%**

CWIFP Loan 1 Project Details

PROJECT ELEMENT	PLANNING START	PLANNING END	DESIGN START	DESIGN END	Description
Almaden Dam Improvement (91854001)	7/1/1995	6/30/2029	7/1/2014	10/1/2032	Planning and design: (1) for a new sloped intake structure to connect to the existing outlet conduit to mitigate seismic stability and sedimentation accumulation, (2) to correct existing problems with the outlet energy dissipation structure, piping, and valves and (3) to perform a limited raise to the dam crest and spillway modifications and lengthening to safely pass the Probable Maximum Flood (PMF).
Calero Dam Seismic Retrofit (91874004)	8/8/2012	6/30/2027	1/2/2024	10/1/2032	Planning and design: (1) stabilize the embankment to withstand a Maximum Credible Earthquake (MCE), (2) modify or replace the outlet works, (3) modify the spillway and increase the freeboard of the dam for safe passage of the PMF, (4) provide additional seismic and safety modifications and (5) remove or relocate the Bailey Ranch structures and breach Fellow's Dike.
Guadalupe Dam Seismic (91894002)	8/8/2012	6/30/2027	11/1/2014	10/1/2032	Planning and design: (1) stabilize the embankment to withstand a MCE, (2) replace or implement improvements as necessary for the spillway to safely pass the PMF, (3) ensure the outlet works and hydraulic control system meet the Division of Safety of Dams (DSOD) requirements, (4) relocate the intake structure out of the upstream berm, (5) incorporate other measures to address seismic and other dam safety deficiencies and (6) acquire land.

Projected Water Utility Debt Profile

(Amounts in $000)



Questions?

BACKUP SLIDES - PROJECT PROFILES

Dam Safety Program

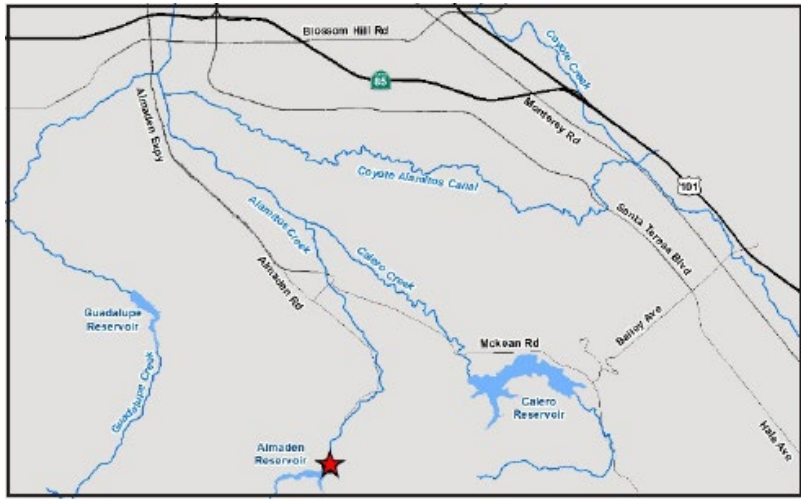
- Valley Water operates its comprehensive dam safety program to ensure public safety and operational availability of its reservoirs
- Existing reservoirs were built more than 90 years ago and require upgrades to bring them up to modern standards to:
  - Prevent dam embankment failure during an earthquake of 7.0 or higher magnitude
  - Reduce flood risk from the uncontrolled release of reservoir water
- Benefits include:
  - Restoring water storage capacity and associated benefits
  - Positive impacts accrued to 2 million people living and working in Silicon Valley

Dam	Built	Dimension (tall x long)	Capacity (acre feet)	DSOD Restricted Storage (acre feet)
Almaden	1935	110‘ x 500’	1,555	1,443
Calero	1935	98’ x 840’	9,738	4,414
Guadalupe	1935	129’ x 650’	3,320	2,134
Coyote	1936	140’ x 980’	22,541	11,843

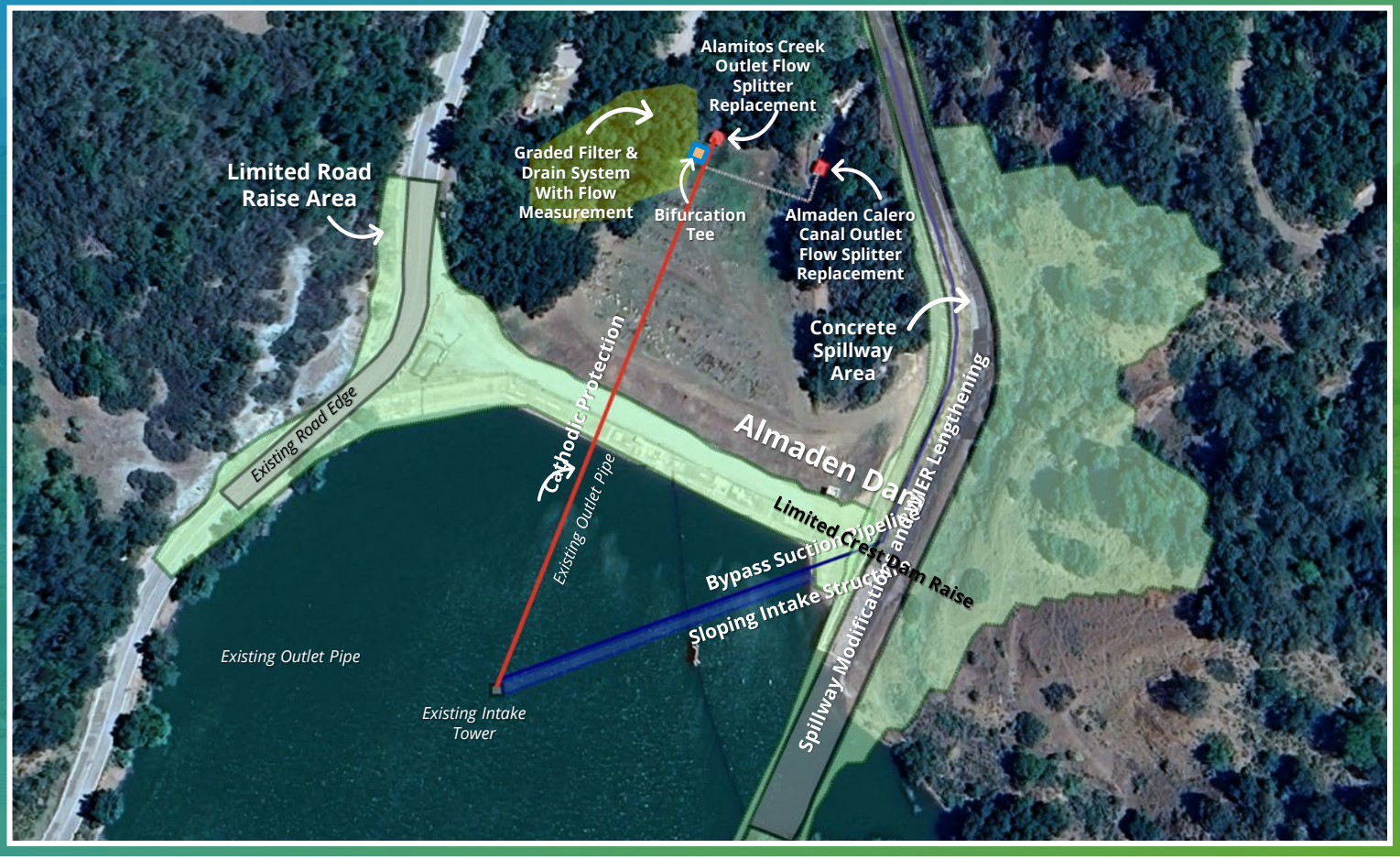
Almaden Dam Improvements (91854001)

- **Project scope includes:**
  - Modify or construct a new intake structure
  - Modify or construct a new spillway structure
  - Correct existing problems with the outlet energy dissipation structure, piping and valves
  - Incorporate other measures for seismic and dam safety
  - Current schedule:
    - Planning: 7/1/1995 – 6/30/2029
    - Design: 7/1/2014 - 9/30/2030
    - Construction: 9/1/2030 - 9/30/2032

Aerial view of Almaden Dam and spillway, and part of the reservoir



Almaden Dam Improvements Project Components



Almaden Dam Project Status

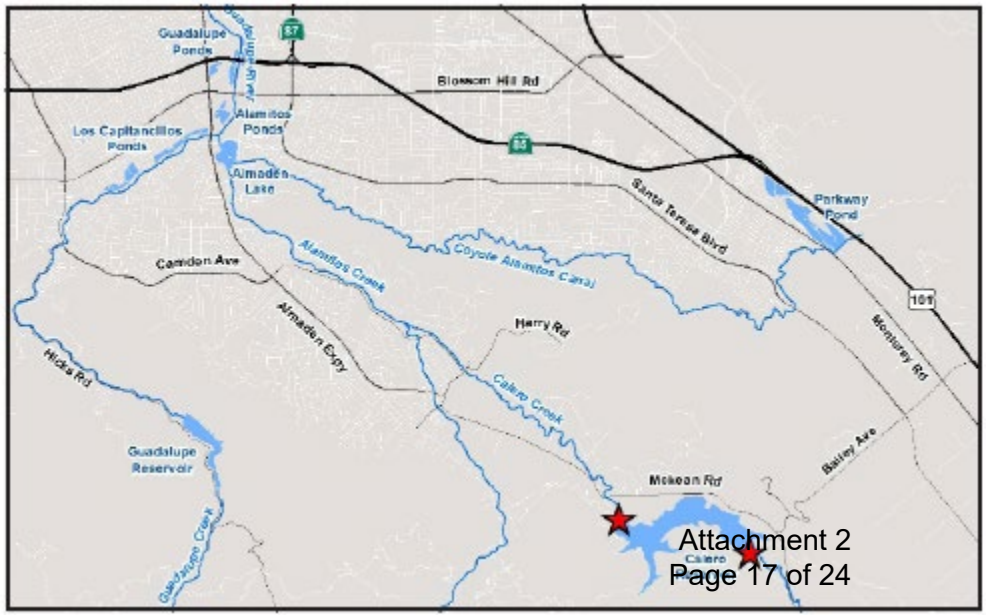
- Planning Phase 90 % Completed
- Project Design Commenced
  - Inlet Structure/Spillway 50% design completion expected summer 2026.
- Environmental Documentation expected to be completed by 2029
- Construction Start - Fall 2030

Calero Dam Seismic Retrofit (91874004)

- **Project scope includes:**
  - Stabilize the embankment to withstand a maximum credible earthquake
  - Modify the spillway to pass probable maximum flood
  - Improve outlet works to meet DSOD requirements
  - Remove or relocate Bailey Ranch structures and breach Fellow's Dike
  - Incorporate other measures for seismic and dam safety
  - Current schedule:
    - Planning: 8/8/2012 – 6/30/2027
    - Design: 1/2/2024 - 3/30/2028
    - Construction: (A) 4/1/2028- 6/30/2031;

      (B) 1/1/2033 - 3/30/2035

Aerial view of the Calero Dam and reservoir



Calero Dam Seismic Retrofit Project Components

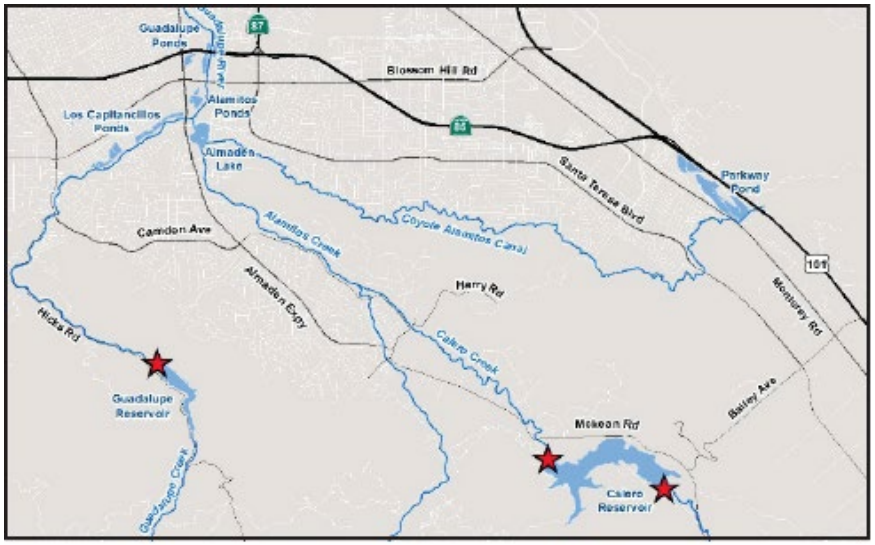
Calero Dam Seismic Retrofit Project Status

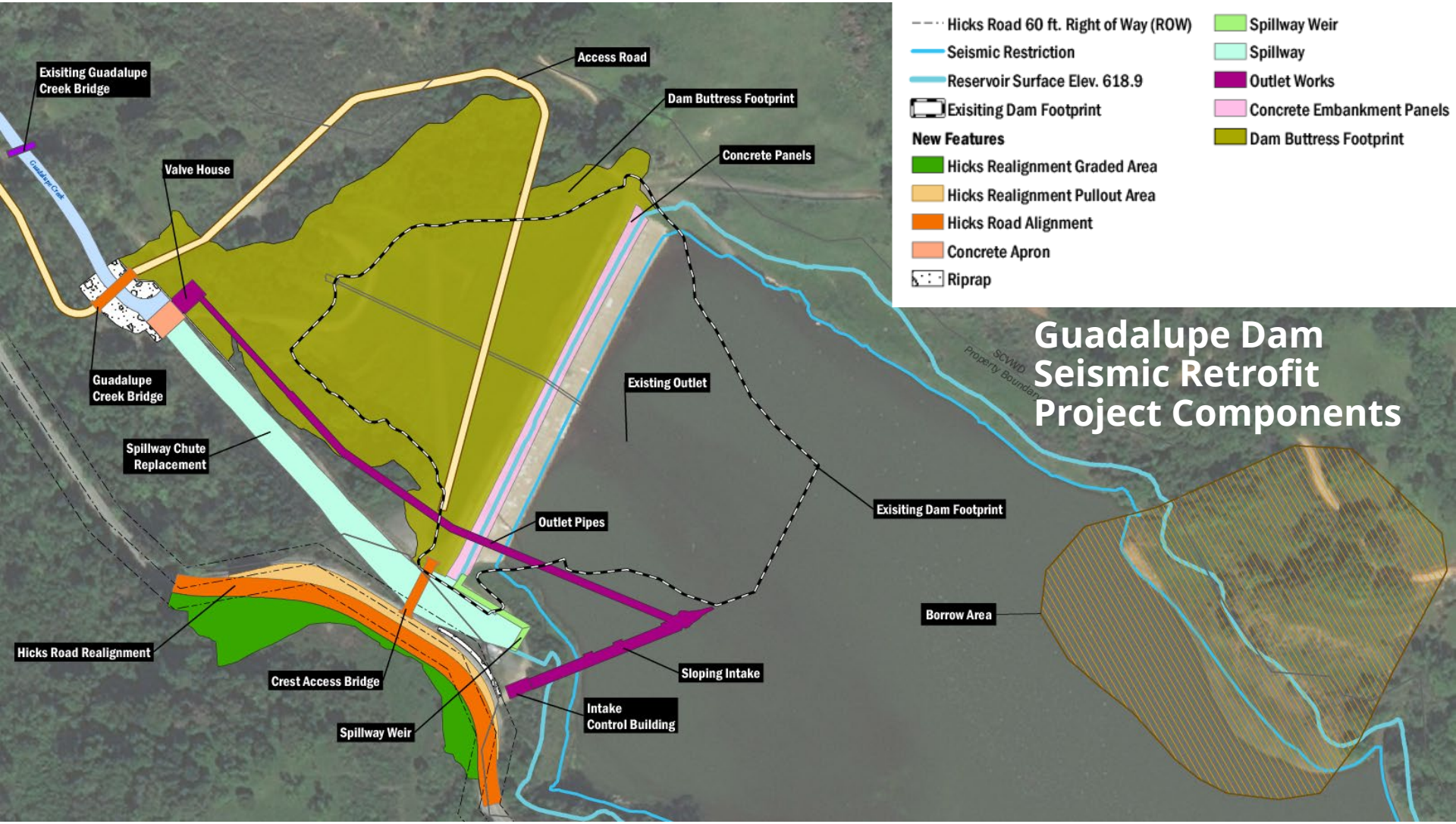
- Planning Phase Substantially Completed
- Project Design Commenced for Phase 1
  - Embankment/Spillway 50% design completion expected summer 2025.
- Environmental Documentation Preparation Underway.
  - Planning for Draft EIR summer 2025.
- Construction Start - Spring 2028

Guadalupe Dam Seismic (91894002)

- **Project scope includes:**
  - Stabilize the embankment to withstand a maximum credible earthquake
  - Implement improvements as necessary for the dam system to pass probable maximum flood
  - Ensure outlet works and hydraulic control systems meet DSOD requirements
  - Relocate intake out of the upstream berm
  - Incorporate other measures for seismic and dam safety
  - Current schedule:
    - Planning: 8/8/2012 - 6/30/2027
    - Design: 11/01/2014 - 3/31/2029
    - Construction: (A) 4/1/2029 - 3/30/2032; (B) 7/1/2032 - 6/30/2034

Aerial view of the Guadalupe Dam, spillway, and part of the reservoir




Valley Water
Guadalupe Dam
Seismic Retrofit
Project Components
Hicks Road 60 ft. Right of Way (ROW)
Seismic Restriction
Reservoir Surface Elev. 618.9
Exisiting Dam Footprint
New Features
Hicks Realignment Graded Area
Hicks Realignment Pullout Area
Hicks Road Alignment
Concrete Apron
Riprap
Spillway Weir
Spillway
Outlet Works
Concrete Embankment Panels
Dam Buttress Footprint
Exisiting Guadalupe Creek Bridge
Access Road
Dam Buttress Footprint
Concrete Panels
Valve House
Guadalupe Creek Bridge
Existing Outlet
Spillway Chute Replacement
Outlet Pipes
Exisiting Dam Footprint
Borrow Area
Hicks Road Realignment
Crest Access Bridge
Sloping Intake
Intake Control Building
Spillway Weir
SCVWD Property Boundary

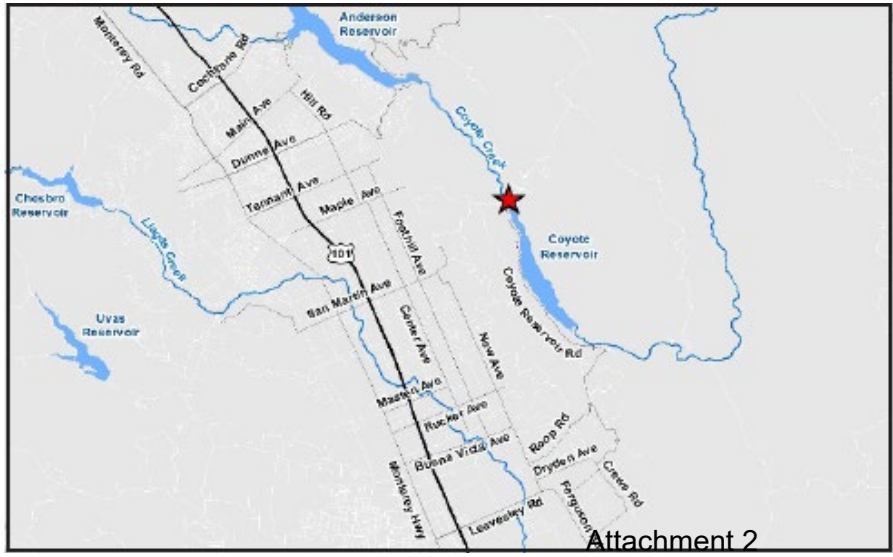
Guadalupe Dam Project Status

- Planning Phase Substantially Completed
- Project Design Commenced for Phase 1.
  - Embankment/Spillway 60% design completion expected summer 2025.
- Environmental Documentation Preparation Underway.
  - Planning for Draft EIR Summer 2026
- Construction Start - Spring 2029

Coyote Dam Seismic Retrofit (91884003)

- **Project scope includes:**
  - Stabilize the embankment to withstand a maximum credible earthquake
  - Spillway modification to pass probable maximum flood
  - Incorporate other measures for seismic and dam safety
  - Current schedule:
    - Planning: 1/1/2027 -12/31/2029
    - Design: 1/1/2030 - 12/31/2034
    - Construction: 1/1/2035 - 6/30/2041

Aerial photo from downstream during February 2017 storm event



Coyote Dam Project Status

- Seismic Evaluation Completed
- Added to the Capital Improvement Program for Fiscal Year 2026
- Planning, Design, and Environmental Consultant Services RFPs forthcoming
- Construction Start - 2035