

AGREEMENT WITH RESPECT TO THE USAGE OF THE SAN JOSÉ PURIFIED WATER  
PROJECT

Whereas, this agreement (the “Agreement”), dated as of May 1, 2026, is by and between the Santa Clara Valley Water District (“Valley Water”) and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), with respect to the \$\_\_\_\_\_ Santa Clara Valley Water District Water System Refunding Revenue Bonds, Series 2026A (the “Bonds”);

Whereas, Valley Water is utilizing a portion of the proceeds of the Bonds to construct and equip the purified water project described in Resolution No. 2026-03 adopted by the Board of Directors of Valley Water on January 27, 2026 (the “Project”)

Whereas, purified water (“Purified Water”) from the Project is expected to be utilized in Valley Water’s direct potable reuse program;

Whereas, state and local governmental units (“Governmental Entities”) and private companies, investor owned utilities, or mutual water companies (“Private Entities”) purchase water from Valley Water under certain contracts (“Contracts”) to provide water to consumers in Santa Clara County (the “County”); and

Whereas, Valley Water utilizes water to replenish or recharge the County groundwater basin (“Groundwater Recharge”);

Now, therefore, Valley Water hereby covenants to and agrees for the benefit of the Trustee and Bond holders as follows:

1. Valley Water shall comply with Section 6.10 of the Indenture dated as of May 1, 2026, by and between Valley Water and the Trustee. Section 6.10 is attached hereto as Attachment A.
2. The terms of all Contracts by the District are consistent with and will be consistent with this Agreement and, therefore, each sale of water by Valley Water is restricted by the terms of this Agreement.
3. To ensure compliance with the restrictions herein, during the Measurement Period, Valley Water will provide annual reports to the Trustee describing the amount of Purified Water produced by the Project and the amount of Purified Water so utilized under (A), (B), or (C) of the

Available Output Restriction (as defined and shown in Attachment A hereto). Such reports will be provided to Bond holders upon request at the expense of Valley Water.

SANTA CLARA VALLEY WATER  
DISTRICT

By: \_\_\_\_\_

U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION

By: \_\_\_\_\_

## ATTACHMENT A

In the event any proceeds of the Bonds are applied to pay costs of the Project, absent a force majeure event or other event beyond the control of Valley Water, from the date the Bonds are issued through the latest maturity date of the Bonds without regard to any optional redemption dates (the “Measurement Period”), Valley Water will ensure that the aggregate amount of Purified Water produced by the Project is equal to or less than the aggregate amount during the Measurement Period of (A) Purified Water both commingled with other water in a Valley Water treatment plant or other Valley Water facility and sold to a Governmental Entity, (B) Purified Water, not commingled in a Valley Water treatment plant or other Valley Water facility, sold directly to (i) a Governmental Entity, or (ii) a member of the public under a generally applicable rate scale, and (C) Purified Water utilized by Valley Water for Groundwater Recharge (the “Available Output Restriction”).

For purposes of the Available Output Restriction, Purified Water will only be taken into account as utilized under (A), (B), or (C) above if it is physically possible to so deliver and use such water based upon the physical flow of water. The amount of any Purified Water that is used for Groundwater Recharge under (C) of the Available Output Restriction and is subsequently pumped by Valley Water will be reduced for purposes of compliance with the Available Output Restriction by the amount of such Purified Water so pumped and delivered to the Private Entities; provided, such pumped Purified Water may be flowed and so utilized by Valley Water in accordance with the restrictions of (A) or (B) above of the Available Output Restriction.

**PURIFIED WATER PUBLIC USE  
ANNUAL MONITORING REPORT**

**Submit to:** *Trustee*  
**Date:** *MM/DD/YYYY*

This Allocation Monitoring Report for the period of MM/DD/YYYY - MM/DD/YYYY (the “**Annual Period**”) is provided pursuant to the Agreement With Respect to the Usage of the San Jose Purified Water Project dated as of May 1, 2026 (the “**Agreement**”) by and between the Santa Clara Valley Water District and U.S. Bank Trust Company, National Association. Unless otherwise defined herein, all capitalized terms in this Allocation Monitoring Report have the meanings assigned to those terms in the Agreement.

**Operating Status.** *[Provide a narrative summary of the Project’s operating status during the Annual Period (days in operation, production issues, maintenance impacts, other challenges) and update the table below.]*

<i>Date</i>	<i>Annual Purified Water Production (AF)</i>	<i>Annual Purified Water Production Allocated to Public Use (AF)</i>							<i>Cumulative Total Purified Water Production (AF)</i>	<i>Cumulative Annual Production Allocated to Public Entities (AF)</i>
		<i>City of Milpitas</i>	<i>City of San Jose</i>	<i>City of Mountain View</i>	<i>City of Santa Clara</i>	<i>City of Sunnyvale</i>	<i>Groundwater Recharge</i>	<i>Other Public Use</i>		