

CWIFP CUSIP Number: [ ]

**UNITED STATES DEPARTMENT OF THE ARMY**

**CWIFP CREDIT AGREEMENT**

**For Up to \$112,646,753**

**With**

**SANTA CLARA VALLEY WATER DISTRICT**

**For the**

**DAM SAFETY PROGRAM – PROJECT 1  
(CWIFP-2026-A-003)**

Dated as of [ ], 2025

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## CWIFP CREDIT AGREEMENT

**THIS CWIFP CREDIT AGREEMENT** (this “**Agreement**”), dated as of the CWIFP Credit Agreement Effective Date, is by and between the Borrower (as defined herein) and the **UNITED STATES DEPARTMENT OF THE ARMY**, acting by and through the United States Army Corps of Engineers (the “**CWIFP Lender**”).

### RECITALS:

WHEREAS, the Congress of the United States of America enacted the Water Infrastructure Finance and Innovation Act, § 5021 *et seq.* of Public Law 113-121 (as amended, and as may be further amended from time to time, the “**Act**”), which is codified as 33 U.S.C. §§ 3901-3915;

WHEREAS, the credit assistance program provided by the CWIFP Lender pursuant to the Act is known as the Corps Water Infrastructure Financing Program (“**CWIFP**”);

WHEREAS, the Act authorizes the CWIFP Lender to enter into agreements to provide financial assistance with one or more eligible entities to make secured loans with appropriate security features to finance a portion of the eligible costs of projects eligible for assistance;

WHEREAS, the Borrower and the CWIFP Lender entered into that certain CWIFP Master Agreement, dated as of [\_\_\_\_], 2025 (the “**CWIFP Master Agreement**”), pursuant to which the parties thereto have set forth certain common terms and conditions applicable to each CWIFP Loan and Project under the Master Program, as such terms are defined in the CWIFP Master Agreement;

WHEREAS, as contemplated by the CWIFP Master Agreement, the Borrower has requested that the CWIFP Lender make the CWIFP Loan (as defined herein) to the Borrower in a principal amount not to exceed the Maximum Principal Amount (as defined herein) to be used to pay a portion of the Eligible Project Costs for the Project (as defined herein);

WHEREAS, as of the date hereof, the Secretary has approved CWIFP financial assistance for the Project to be provided in the form of the CWIFP Loan, subject to the terms and conditions contained herein and in the CWIFP Master Agreement;

WHEREAS, as of the date hereof, the Project has been determined by the Secretary to be Technically Sound, Economically Justified and Environmentally Acceptable, as such terms are defined in the CWIFP Master Agreement and as required by the Act;

WHEREAS, based on the Application and the representations, warranties and covenants set forth herein and in the CWIFP Master Agreement, the CWIFP Lender proposes to make funding available to the Borrower for a portion of the costs of the Project through the purchase of the CWIFP Bond (as defined herein), upon the terms and conditions set forth herein and in the CWIFP Master Agreement; and

WHEREAS, the Borrower agrees to repay any amount due pursuant to this Agreement and the CWIFP Bond in accordance with the terms and provisions hereof and of the CWIFP Master Agreement and the CWIFP Bond.

NOW, THEREFORE, the premises being as stated above, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending to be legally bound, it is hereby mutually agreed by and between the Borrower and the CWIFP Lender as follows:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

Section 1. Definitions. Capitalized terms used in this Agreement (including in the recitals hereto) and not otherwise defined herein shall have the meanings assigned to such term in the CWIFP Master Agreement. Any term used in this Agreement (including in the recitals hereto) that is defined by reference to any other agreement shall continue to have the meaning specified in such agreement, whether or not such agreement remains in effect. In addition, as used in this Agreement (including in the recitals hereto), the following terms have the following meanings:

“**Act**” has the meaning provided in the recitals hereto.

“**Agreement**” has the meaning provided in the preamble hereto.

“**Borrower**” has the meaning ascribed to such term in **Part A of Schedule I** (*CWIFP Loan Specific Terms*).

“**Capitalized Interest Date**” has, if applicable, the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Loan Specific Terms*), or if designated as “Not Applicable” in **Schedule I**, means capitalized interest dates shall not be applicable with respect to the CWIFP Loan hereunder.

“**Capitalized Interest Period**” has, if applicable, the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Loan Specific Terms*), or if designated as “Not Applicable” in **Schedule I**, means capitalized interest shall not be applicable with respect to the CWIFP Loan hereunder.

“**CWIFP**” has the meaning provided in the recitals hereto.

“**CWIFP Bond**” means the bond issued and delivered by the Borrower to the CWIFP Lender, on or prior to the CWIFP Credit Agreement Effective Date, in substantially the form of Exhibit A (*Form of CWIFP Bond*) to the CWIFP Master Agreement and evidencing the Borrower’s obligation to repay the CWIFP Loan.

“**CWIFP Credit Agreement Effective Date**” means the date of this Agreement, as specified in **Part A of Schedule I** (*CWIFP Loan Specific Terms*).

**“CWIFP CUSIP Number”** has the meaning ascribed to such term in **Part A of Schedule I** (*CWIFP Loan Specific Terms*).

**“CWIFP Interest Rate”** has the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Loan Specific Terms*).

**“CWIFP Lender”** has the meaning provided in the preamble hereto.

**“CWIFP Loan”** means the secured loan made by the CWIFP Lender to the Borrower on the terms and conditions set forth herein, in the CWIFP Master Agreement and in the CWIFP Bond, pursuant to the Act, in a principal amount not to exceed the Maximum Principal Amount, to be used in respect of Eligible Project Costs with respect to the Project.

**“CWIFP Loan Amortization Schedule”** means the loan amortization schedule reflected in **Schedule III** (*CWIFP Loan Amortization Schedule*), as amended from time to time in accordance with Section 7(c) (*Adjustments to CWIFP Loan Amortization Schedule*) of the CWIFP Master Agreement.

**“CWIFP Master Agreement”** has the meaning provided in the recitals hereto.

**“Debt Service Payment Commencement Date”** means the earlier to occur of (a) the first Payment Date immediately following the later of (i) the first Disbursement or (ii) if there is a Capitalized Interest Period, the final Capitalized Interest Date, in each case as set forth in the CWIFP Loan Amortization Schedule; or (b) the Payment Date falling closest to, but not later than, the fifth (5<sup>th</sup>) anniversary of the earlier of (i) the Projected Substantial Completion Date, as established hereunder as of the CWIFP Credit Agreement Effective Date or (ii) the Substantial Completion Date.

**“Final Maturity Date”** has the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Loan Specific Terms*).

**“Interest Only Period”** has, if applicable, the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Loan Specific Terms*), or if designated as “Not Applicable” in **Schedule I**, means no interest only period shall be applicable with respect to the CWIFP Loan hereunder.

**“Interest Payment Date”** has the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Loan Specific Terms*).

**“Maximum Principal Amount”** has the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Loan Specific Terms*).

**“Planning and Design Schedule”** means (a) the initial schedule or schedules on which the planning and design timetables for the Project are set forth, attached hereto as **Part B of Schedule II** (*Project Details*), and (b) any updates thereto included in the Planning and Design Monitoring Report most recently submitted to the CWIFP Lender in accordance with **Part C of Schedule V** (*Reporting Requirements*) to the CWIFP Master Agreement.

**“Principal Payment Date”** has the meaning ascribed to such term in **Part C of Schedule I** (*CWIFP Loan Specific Terms*).

**“Project”** has the meaning ascribed to such term in **Part B of Schedule I** (*CWIFP Loan Specific Terms*).

**“Project Budget”** means the budget for the Project attached to this Agreement as **Part A of Schedule II** (*Project Details*) showing a summary of Total Project Costs with a breakdown of all Eligible Project Costs and the estimated sources and uses of funds for the Project.

**“Project Location”** has the meaning ascribed to such term in **Part B of Schedule I** (*CWIFP Loan Specific Terms*).

**“Projected Substantial Completion Date”** has the meaning ascribed to such term in **Part B of Schedule I** (*CWIFP Loan Specific Terms*).

**“Servicing Fee”** has the meaning ascribed to such term in **Part E of Schedule I** (*CWIFP Loan Specific Terms*).

Section 2. Interpretation.

(a) Except as otherwise expressly provided herein, all applicable terms and provisions of the CWIFP Master Agreement, including the rules of interpretation set forth in Section 2 (*Interpretation*) of the CWIFP Master Agreement, shall apply herein, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “this Agreement” were a reference to this Agreement, and each reference to any “CWIFP Loan” or any “CWIFP Bond” were a reference, respectively, to the CWIFP Loan or the CWIFP Bond as such terms are defined in this Agreement).

(b) This Agreement is one of the CWIFP Credit Agreements referenced in the CWIFP Master Agreement.

## ARTICLE II

### THE CWIFP LOAN

Section 3. CWIFP Loan Amount. CWIFP Loan proceeds shall be disbursed in accordance with and subject to the conditions set forth in Section 10(c) (*Conditions Precedent to Disbursements*) of the CWIFP Master Agreement. The total amount of Disbursements for the CWIFP Loan shall not, in the aggregate, exceed the Maximum Principal Amount.

Section 4. Term. The term of the CWIFP Loan shall extend from the CWIFP Credit Agreement Effective Date to the Final Maturity Date or to such earlier date as all amounts due or to become due to the CWIFP Lender hereunder have been irrevocably paid in full in immediately available funds.

Section 5. Interest Rate. The Borrower shall pay interest on the CWIFP Loan Balance at the CWIFP Interest Rate; provided that, interest will accrue and be computed on the CWIFP

Loan Balance from time to time pursuant to, and otherwise and in accordance with, Section 5 (*Interest Rate*) of the CWIFP Master Agreement.

Section 6. Security. As evidence of the Borrower's obligation to repay the CWIFP Loan, the Borrower shall issue and deliver to the CWIFP Lender, as the registered owner, on or prior to the CWIFP Credit Agreement Effective Date, the CWIFP Bond. As security for the CWIFP Bond, the Borrower has, pursuant to the CWIFP Master Agreement, irrevocably pledged, assigned and granted to the CWIFP Lender for its benefit, Liens on the Pledged Collateral to the extent and in the manner and priority set forth in the CWIFP Loan Documents. The Borrower hereby affirms such pledge, assignment and grant, with respect to the CWIFP Bond, and the provisions of Section 6 (*Security and Priority; Flow of Funds*) of the CWIFP Master Agreement are incorporated by reference herein, *mutatis mutandis*, as if fully set forth herein.

Section 7. Repayments. Payments of CWIFP Debt Service shall be made by the Borrower on each Payment Date occurring on or after the Debt Service Payment Commencement Date in accordance with Section 7(a) (*Payment of CWIFP Debt Service*) of the CWIFP Master Agreement and in accordance with the CWIFP Loan Amortization Schedule attached to this Agreement as **Schedule III** (*CWIFP Loan Amortization Schedule*). For purposes of any adjustment to the CWIFP Loan Amortization Schedule pursuant to Section 7(c)(ii) (*Adjustments to CWIFP Loan Amortization Schedule*) of the CWIFP Master Agreement, the weighted average life of the CWIFP Loan shall not exceed 31.9 years measured as of the initial Disbursement date of the CWIFP Loan.

Section 8. Prepayment. The Borrower shall prepay the CWIFP Loan in accordance with and subject to the terms and conditions set forth in Section 8(a) (*Mandatory Prepayments*) of the CWIFP Master Agreement. The Borrower may prepay the CWIFP Loan in accordance with Section 8(b) (*Optional Prepayments*) of the CWIFP Master Agreement.

Section 9. Fees and Expenses. The Borrower shall pay to the CWIFP Lender the Servicing Fee and all other fees and expenses with respect to the CWIFP Loan pursuant to and in accordance with Section 9 (*Fees and Expenses*) of the CWIFP Master Agreement.

### ARTICLE III

#### CONDITIONS PRECEDENT

Section 10. Conditions Precedent.

(a) Conditions Precedent to Effectiveness of this Agreement. The effectiveness of this Agreement is subject to the satisfaction, or the CWIFP Lender's written waiver, as determined by the CWIFP Lender in its sole discretion, of each of the conditions precedent to the effectiveness of this Agreement set forth in Section 10(b) (*Conditions Precedent to Effectiveness of Each CWIFP Credit Agreement*) of the CWIFP Master Agreement (each of which is incorporated by reference herein, *mutatis mutandis*, as if set out in this Agreement in full and as if each reference therein to any "Project," any "CWIFP Loan," any "CWIFP Bond" or any "CWIFP Credit Agreement" were a reference, respectively, to the Project, the CWIFP Loan, the CWIFP Bond or this Agreement (as such terms are defined in this Agreement)).

(b) Conditions Precedent to Disbursements. Notwithstanding anything in this Agreement to the contrary, the CWIFP Lender shall have no obligation to make any Disbursement of the CWIFP Loan to the Borrower (including the initial Disbursement hereunder) until each of the conditions precedent with respect to the CWIFP Loan set forth in Section 10(c) (*Conditions Precedent to Disbursements*) of the CWIFP Master Agreement (each of which is incorporated by reference herein, *mutatis mutandis*, as if set out in this Agreement in full and as if each reference therein to any “CWIFP Loan” or any “CWIFP Credit Agreement” were a reference, respectively, to the CWIFP Loan or this Agreement (as such terms are defined in this Agreement)) has been satisfied or waived in writing by the CWIFP Lender in its sole discretion.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES

Section 11. Representations and Warranties of the Borrower. The representations and warranties set out in Section 11 (*Representations and Warranties of the Borrower*) of the CWIFP Master Agreement shall be made on the CWIFP Credit Agreement Effective Date and as of each date on which any Disbursement of the CWIFP Loan is requested or made, except as otherwise expressly provided in Section 11 (*Representations and Warranties of the Borrower*) of the CWIFP Master Agreement. Each such representation and warranty is incorporated by reference herein, *mutatis mutandis*, for the benefit of the CWIFP Lender as if set out in this Agreement in full (and as if each reference therein to (a) any “Project” or the “Master Program,” (b) any “CWIFP Loan” or (c) any “CWIFP Bond” were a reference, respectively, to (i) the Project, (ii) the CWIFP Loan or (iii) the CWIFP Bond (as such terms are defined in this Agreement)). The Borrower acknowledges that it makes such representations and warranties with the intention of inducing the CWIFP Lender to enter into this Agreement and the other CWIFP Loan Documents and to advance the CWIFP Loan to the Borrower, and that the CWIFP Lender has entered into this Agreement and the other CWIFP Loan Documents on the basis of, and in full reliance on, each such representation and warranty.

Section 12. Representations and Warranties of the CWIFP Lender. The representations and warranties set out in Section 12 (*Representations and Warranties of the CWIFP Lender*) of the CWIFP Master Agreement shall be made on the CWIFP Credit Agreement Effective Date, *mutatis mutandis*, for the benefit of the Borrower as if set out in this Agreement in full (and as if each reference therein to any “CWIFP Loan” were a reference to the CWIFP Loan (as such term is defined in this Agreement)).

## ARTICLE V

### COVENANTS

Section 13. Covenants. The Borrower covenants and agrees, until, subject to such longer periods as are provided for under Section 13(n) (*Access; Records*) of the CWIFP Master Agreement with respect to the Borrower’s obligations thereunder, the date the CWIFP Bond and all of the obligations of the Borrower under this Agreement and each other CWIFP Loan Document with respect to the CWIFP Loan or the Project (other than contingent indemnity obligations) have



been irrevocably paid in full in immediately available funds and the CWIFP Lender no longer has any commitment to make Disbursements under this Agreement to the Borrower, unless the CWIFP Lender waives compliance in writing, to comply with each of the covenants set forth in the CWIFP Master Agreement, including Section 13 (*Affirmative Covenants*) and Section 14 (*Negative Covenants*) of the CWIFP Master Agreement, which covenants are incorporated by reference herein, *mutatis mutandis*, as if fully set forth herein (and as if each reference therein to “this Agreement” were a reference to this Agreement and as if each reference therein to (a) any “Project” or the “Master Program,” (b) any “CWIFP Loan” or (c) any “CWIFP Bond” were a reference, respectively, to (i) the Project, (ii) the CWIFP Loan or (iii) the CWIFP Bond (as such terms are defined in this Agreement)).

Section 14. [Reserved].

## ARTICLE VI

### EVENTS OF DEFAULT AND REMEDIES

Section 15. Events of Default and Remedies.

(a) Each Event of Default set out in Section 15 (*Events of Default and Remedies*) of the CWIFP Master Agreement shall constitute an Event of Default under this Agreement.

(b) Upon the occurrence and during the continuation of any Event of Default hereunder, the CWIFP Lender shall have each of the rights and remedies to which it is entitled as provided in and with the same effect as described in Section 15 (*Events of Default and Remedies*) of the CWIFP Master Agreement.

## ARTICLE VII

### MISCELLANEOUS

Section 16. Governing Law. This Agreement shall be governed by the federal laws of the United States of America if and to the extent such federal laws are applicable and the internal laws of the State, if and to the extent such federal laws are not applicable.

Section 17. Effectiveness. This Agreement shall be effective on the CWIFP Credit Agreement Effective Date.

Section 18. Release of Lien. Upon the irrevocable payment in full in immediately available funds by the Borrower of the CWIFP Loan Balance, together with all accrued interest, fees and expenses and all other amounts with respect thereto, the CWIFP Lender shall surrender the CWIFP Bond to the Borrower in accordance with Section 8(c) (*General Prepayment Instructions*) of the CWIFP Master Agreement; provided, that the indemnification requirements of Section 30 (*Indemnification*) of the CWIFP Master Agreement, as incorporated herein, the reporting and record keeping requirements of Section 13(n) (*Access; Records*) of the CWIFP

Master Agreement, as incorporated herein, and the payment requirements of Section 9 (*Fees and Expenses*) shall survive the termination of this Agreement as provided in such sections.

Section 19. Miscellaneous. Article VII (*Miscellaneous*) of the CWIFP Master Agreement (other than Sections 23 (*Governing Law*), 32 (*Effectiveness*) and 34 (*Survival*) of the CWIFP Master Agreement) shall be incorporated in this Agreement, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “this Agreement” were a reference to this Agreement and as if each reference therein to (a) any “Project” or the “Master Program,” (b) any “CWIFP Loan” or (c) any “CWIFP Bond” were a reference, respectively, to (i) the Project, (ii) the CWIFP Loan or (iii) the CWIFP Bond (as such terms are defined in this Agreement)).

[The remainder of this page intentionally left blank; signature pages immediately follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**SANTA CLARA VALLEY WATER DISTRICT,**  
by its authorized representative

By: \_\_\_\_\_  
Name:  
Title:

**UNITED STATES DEPARTMENT OF  
THE ARMY**, acting by and through the  
United States Army Corps of Engineers

By: \_\_\_\_\_  
Name:  
Title:

*[Signature Page to Dam Safety Program – Project 1  
(Santa Clara Valley Water District) – CWIFP Credit Agreement]*

**SCHEDULE I**

**CWIFP LOAN SPECIFIC TERMS**

No.	Item	CWIFP Loan Specific Term
<b><i>PART A. Key Borrower Metrics</i></b>		
1.	Borrower	Santa Clara Valley Water District, a special district created by the State Legislature duly organized and existing under the laws of the State.
2.	CWIFP Credit Agreement Effective Date	October 6, 2025.
3.	CWIFP CUSIP Number	[____], as the CUSIP number with respect to the CWIFP Loan for purposes of monitoring through EMMA.
<b><i>PART B. Key Project Metrics</i></b>		
4.	Project	The Project is a Planning and Design Project that is part of the Dam Safety Program, located at the Project Location, and consists of the development of complete plans and specifications for the Calero, Guadalupe and Almaden dams.
5.	Project Location	Santa Clara County, California.
6.	Projected Substantial Completion Date	October 1, 2032, as such date may be adjusted in accordance with <b>Part C of Schedule V (Reporting Requirements)</b> to the CWIFP Master Agreement.
7.	[Reserved]	
<b><i>PART C. Key Loan Metrics</i></b>		
8.	Maximum Principal Amount	Principal amount up to \$112,646,753.00 (excluding interest that is capitalized in accordance with this Agreement).
9.	CWIFP Interest Rate	[____]% per annum.
10.	Default Rate	Interest rate equal to the sum of (a) the CWIFP Interest Rate plus (b) 200 basis points.
11.	Interest Payment Date	Each June 1 and December 1, commencing on the Debt Service Payment Commencement Date.

No.	Item	CWIFP Loan Specific Term
12.	Capitalized Interest Period	The period from (and including) the first Disbursement to (but excluding) the date that is six (6) months prior to the first Payment Date reflected in the CWIFP Loan Amortization Schedule, subject to earlier termination as set forth in Section 7(a)(iii) ( <i>Payment of CWIFP Debt Service</i> ) of the CWIFP Master Agreement.
13.	Capitalized Interest Date	Each June 1 and December 1 occurring on or after the date of the first Disbursement and through (and including) the day immediately following the end of the Capitalized Interest Period, subject to Section 7(a)(iii) ( <i>Payment of CWIFP Debt Service</i> ) in the event of an earlier termination of the Capitalized Interest Period.
14.	Interest Only Period	The period commencing from (and including) the Debt Service Payment Commencement Date and ending on (but excluding) the first Principal Payment Date (or on such earlier date as all amounts due or to become due to the CWIFP Lender hereunder have been irrevocably paid in full in cash).
15.	Principal Payment Date	Each June 1, beginning on June 1, 2037.
16.	Final Maturity Date	The earliest of (a) June 1, 2067, which is the Payment Date immediately preceding the date that is thirty-five (35) years following the Projected Substantial Completion Date established hereunder as of the CWIFP Credit Agreement Effective Date; (b) the date on which the maturity of the CWIFP Loan and corresponding CWIFP Bond have been accelerated or subject to mandatory redemption or prepayment (as the case may be) prior to maturity thereof; or (c) the Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date.
17.	CWIFP Debt Service Account	The Borrower shall establish a subaccount of the CWIFP Debt Service Account for the CWIFP Loan as of the CWIFP Credit Agreement Effective Date and shall maintain such subaccount as part of the CWIFP Debt Service Account and for the benefit of the CWIFP Lender in accordance with the CWIFP Master Agreement.
18.	Project Acquisition Fund	The Borrower shall establish a Project Acquisition Fund for the CWIFP Loan as of the CWIFP Credit Agreement Effective Date and shall maintain such Project

No.	Item	CWIFP Loan Specific Term
		Acquisition Fund in accordance with the CWIFP Master Agreement.
19.	[Reserved]	
<b><i>PART D. [RESERVED]</i></b>		
<b><i>PART E. Fees</i></b>		
20.	Servicing Fee	An annual servicing fee equal to \$15,000.00.

**SCHEDULE II**  
**PROJECT DETAILS**

**PART A.     Project Budget.**

<b>SOURCES OF FUNDS</b>	<b>AMOUNT (\$ USD)</b>	<b>PERCENTAGE (%)</b>
CWIFP Credit Assistance	\$112,646,753	80.00%
Revenue Bonds	0	0.00
Borrower Cash	28,161,688	20.00
<b>Total Sources of Funds</b>	<b>\$140,808,441</b>	<b>100.00%</b>
<b>USES OF FUNDS</b>	<b>AMOUNT (\$ USD)</b>	<b>PERCENTAGE (%)</b>
Construction	\$ 0	0.00%
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
<b>Total Uses of Funds</b>	<b>\$140,808,441</b>	<b>100.00%</b>
<b>Total Eligible Project Costs</b>	<b>\$140,808,441</b>	
<b>Total Project Costs</b>	<b>\$140,808,441</b>	

**PART B.     Planning and Design Schedule.**

Projected Substantial Completion Date: October 1, 2032

<b>PROJECT ELEMENT</b>	<b>PLANNING START</b>	<b>PLANNING END</b>	<b>DESIGN START</b>	<b>DESIGN END</b>	<b>OUTSTANDING ENVIRONMENTAL CROSS-CUTTERS*</b>
Almaden Dam Improvement	7/1/1995	6/30/2029	7/1/2014	10/1/2032	At this time no further geotechnical investigation is anticipated
Calero Dam Seismic Retrofit	8/8/2012	6/30/2027	1/2/2024	10/1/2032	We expect to receive permits for a second phase geotechnical investigations by August 2025. Site work will commence as soon as permits are received.

\* The estimated schedule for the outstanding environmental work is preliminary and is subject to change pending design development of the project elements.



					The estimated completion date of the Geotech work is December 2025.
Guadalupe Dam Seismic	8/8/2012	6/30/2027	11/1/2014	10/1/2032	<p>We are expecting to receive permits for a second phase of geotechnical work by September 2025. Site work will commence thereafter, with an estimated completion date of December 2025.</p> <p>We are expecting to receive permits for a third phase geotechnical investigation by March 2026. Site work will commence thereafter.</p> <p>The estimated completion date of the third phase of the geotechnical work is March 2027.</p>

**PART C.     [Reserved].**

**PART D.     Project Description.**

The Project is a Planning and Design Project that is part of the Dam Safety Program, located at the Project Location, and consists of the development of complete plans and specifications for the Calero, Guadalupe and Almaden dams.

The Project consists of approximately three (3) sub-projects, set out in the following table:

Sub-Project	Name / Description
1. Almaden Dam Improvement	The Almaden Dam Improvement sub-project includes planning and design of a project: (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).
2. Calero Dam Seismic Retrofit	The Calero Dam Seismic Retrofit sub-project includes planning and design of a project to: (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.
3. Guadalupe Dam Seismic	The Guadalupe Dam Seismic Retrofit sub-project includes planning and design of a project to: (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.

**SCHEDULE III**  
**CWIFP LOAN AMORTIZATION SCHEDULE**

**SCHEDULE IV**  
**BORROWER DISCLOSURES**

**PART A.     Existing Indebtedness.**

**1.     Existing Senior Obligations**

<b>1.</b>	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Series 2016A, issued pursuant to the Indenture of Trust, dated as of February 1, 2016, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	\$106,315,000
<b>2.</b>	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Taxable Series 2016B, issued pursuant to the Indenture of Trust, dated as of February 1, 2016, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	75,215,000
<b>3.</b>	Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects), Series 2016C, issued pursuant to the Trust Agreement, dated as of February 1, 2016, by and among the Borrower, the District and U.S. Bank Trust Company, National Association, as trustee, and the related Installment Purchase Agreement, dated as of February 1, 2016, by and between the Borrower and the District	17,060,000
<b>4.</b>	Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects), Taxable Series 2016D, issued pursuant to the Trust Agreement, dated as of February 1, 2016, by and among the Borrower, the District and U.S. Bank Trust Company, National Association, as trustee, and the related Installment Purchase Agreement, dated as of February 1, 2016, by and between the Borrower and the District	21,385,000
<b>5.</b>	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Series 2017A, issued pursuant to the Indenture of Trust, dated as of March 1, 2017, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	39,255,000
<b>6.</b>	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Series 2019A, issued pursuant to the Indenture of Trust, dated as of March 1, 2019, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	13,665,000

<b>7.</b>	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Taxable Series 2019B, issued pursuant to the Indenture of Trust, dated as of March 1, 2019, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	69,635,000
<b>8.</b>	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Taxable Series 2019C, issued pursuant to the Indenture of Trust, dated as of November 1, 2019, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	26,345,000
<b>9.</b>	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Series 2020A, issued pursuant to the Indenture of Trust, dated as of September 1, 2020, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	24,120,000
<b>10.</b>	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Taxable Series 2020B, issued pursuant to the Indenture of Trust, dated as of September 1, 2020, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	68,530,000
<b>11.</b>	Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects), Series 2020C, issued pursuant to the Trust Agreement, dated as of September 1, 2020, by and among the Borrower, the District and U.S. Bank Trust Company, National Association, as trustee, and the related Installment Purchase Agreement, dated as of September 1, 2020, by and between the Borrower and the District	34,820,000
<b>12.</b>	Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects), Taxable Series 2020D, issued pursuant to the Trust Agreement, dated as of September 1, 2020, by and among the Borrower, the District and U.S. Bank Trust Company, National Association, as trustee, and the related Installment Purchase Agreement, dated as of September 1, 2020, by and between the Borrower and the District	68,215,000
<b>13.</b>	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Series 2023A, issued pursuant to the Indenture of Trust, dated as of November 1, 2022, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	52,090,000
<b>14.</b>	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Taxable Series 2023B, issued pursuant to the Indenture of Trust, dated as of November 1, 2022, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	66,640,000

<b>15.</b>	Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects), Series 2023C-1, issued pursuant to the Trust Agreement, dated as of November 1, 2022, by and among the Borrower, the District and U.S. Bank Trust Company, National Association, as trustee, and the related Installment Purchase Agreement, dated as of November 1, 2022, by and between the Borrower and the District	64,185,000
<b>16.</b>	Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects), Series 2023C-2, issued pursuant to the Trust Agreement, dated as of November 1, 2022, by and among the Borrower, the District and U.S. Bank Trust Company, National Association, as trustee, and the related Installment Purchase Agreement, dated as of November 1, 2022, by and between the Borrower and the District	39,150,000
<b>17.</b>	Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects), Series 2023D, issued pursuant to the Trust Agreement, dated as of November 1, 2022, by and among the Borrower, the District and U.S. Bank Trust Company, National Association, as trustee, and the related Installment Purchase Agreement, dated as of November 1, 2022, by and between the Borrower and the District	37,495,000
<b>18.</b>	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Series 2024A-1, issued pursuant to the Indenture of Trust, dated as of January 1, 2024, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	104,765,000
<b>19.</b>	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Taxable Series 2024B-1, issued pursuant to the Indenture of Trust, dated as of January 1, 2024, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	87,385,000
<b>20.</b>	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Series 2024A-2, issued pursuant to the Indenture of Trust, dated as of January 1, 2024, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	50,590,000
<b>21.</b>	Santa Clara Valley Water District Water System Refunding Revenue Bonds, Taxable Series 2024B-2, issued pursuant to the Indenture of Trust, dated as of January 1, 2024, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	25,025,000
<b>22.</b>	Santa Clara Valley Water District Water System Revenue Bonds, Series 2024C, issued pursuant to the Indenture of	41,265,000

	Trust, dated as of January 1, 2024, by and between U.S. Bank Trust Company, National Association, as trustee, and the District	
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## 2. Existing Parity Obligations

1.	\$75,000,000 Santa Clara Valley Water District 2025-2026 Tax-Exempt Tax and Revenue Anticipation Note and \$75,000,000 Taxable Tax and Revenue Anticipation Note which secure up to \$150,000,000 Santa Clara Valley Water District Revolving Certificates, Series C (Tax-Exempt) (Non-Syndicated) and Series D (Taxable) (Non-Syndicated), issued pursuant to the Certificate Purchase and Reimbursement Agreement, dated as of April 1, 2022, by and among the Borrower, the District, the lenders party thereto and U.S. Bank National Association	\$90,000,000
2.	\$73,904,324 WIFIA Note dated February 14, 2023, issued by the Borrower pursuant to the WIFIA Loan Agreement (WIFIA ID – 22115CA), dated as of February 14, 2023, by and among the Borrower, the District and the WIFIA Lender	27,455,457
3.	\$91,581,116 WIFIA Note dated October 30, 2023, issued by the Borrower pursuant to the WIFIA Loan Agreement (WIFIA ID – 20114CA), dated as of October 30, 2023, by and among the Borrower, the District and the WIFIA Lender	0
4.	Up to \$250,000,000 Santa Clara Valley Water District Commercial Paper Notes, Series A (Tax-Exempt) and Series B (Taxable) issued pursuant to the Reimbursement Agreement dated as of December 1, 2024, by and between the District and Sumitomo Mitsui Banking Corporation, acting through its New York Branch	50,000,000

## **PART B.      Litigation Disclosure.**

### **[2017 Flooding in the City of San Jose]**

Following a series of storms, a flood event occurred on the Coyote Creek in San Jose, California on or about February 21, 2017. The Coyote Creek is approximately 42 miles long and is the longest creek in the County. In the southern portion of the County, Valley Water owns and maintains the Leroy Anderson Dam and Reservoir along the Coyote Creek near Morgan Hill, California. The Anderson Dam is upstream from the City of San Jose. After the reservoir reached capacity, water began going over the Anderson Dam spillway, as was designed, on February 18, 2017. The spillover volume peaked on the morning of February 21, 2017, increasing flows on Coyote Creek. Beginning on or about February 21, 2017, certain residential and non-residential areas of San Jose along Coyote Creek experienced flooding due to rising water levels in the creek. Thousands of residents were temporarily evacuated, and numerous properties experienced flood damage. Such flood water receded within a short period of time after February 21, 2017.

A number of claimants filed lawsuits in Santa Clara County Superior Court against Valley Water and the City of San Jose alleging damage from the Coyote Creek flood event. There is one remaining action in the Santa Clara County Superior Court arising from the same flood event (San José Unified School District v. SCVWD, Case No. 18CV330233). A mediation took place in July 2025, and the case was settled for \$1,000,000 (to be paid by and through Valley Water's insurer). A final settlement and mutual release agreement was signed on August 5, 2025.

### **Aguirre, et al. v. SCVWD**

In May 2023, Valley Water was served with an action by five former Valley Water employees (Amanda Aguirre, Matthew Bruni, Eric Calderon, Raymond Corral, and Jesse Perez). The plaintiffs are alleging violations of the California Fair Employment and Housing Act, retaliation, and wrongful discharge in violation of public policy in relation to their dismissals or resignations from Valley Water. The plaintiffs were either released by Valley Water for failing to comply with Valley Water's COVID-19 policies then in effect or resigned after being told they would be subject to the policies. This case is in the discovery phase and a jury trial is scheduled for May 26, 2026. As with any litigation, there is uncertainty as to the result. However, Valley Water believes it has reasonable defenses to plaintiffs' allegations, which it intends to assert. Valley Water cannot predict what effects this lawsuit may have or if such effects would be material.

### **City of Fresno, et al. v. United States of America**

The City of Fresno and 17 other CVP Friant Division water contractors filed a lawsuit against the United States of America, alleging that in 2014 the USBR violated its water service contracts with them by using water stored in Millerton Reservoir that should have been provided to them but was instead released to satisfy water deliveries to senior water rights holder the San Joaquin River Exchange Contractors Authority. Among other arguments, plaintiffs claimed that USBR could not use water stored in Millerton Reservoir as "substitute water" to provide to the "Exchange Contractors." SLDMWA and Valley Water intervened in this action. If this argument prevailed, it could have negatively impacted future CVP water allocations to Valley Water and



other non-Friant Division South of Delta CVP contractors. The trial court granted summary judgment in favor of defendant United States and intervenors. The Court of Appeal issued a decision upholding the trial court decision in its entirety.

Plaintiffs recently filed an application to the U.S. Supreme Court for an extension of time to file a petition for Supreme Court review of the Court of Appeal's decision.

### **Great Oaks Water Co. v. SCVWD**

In 2005, Great Oaks filed suit against Valley Water alleging, among other things, that Valley Water's groundwater production charges violated Proposition 218 (which added Article XIID to the California Constitution), because proceeds are used to fund projects and services that benefit the general public, not just ratepayers (Great Oaks Water Company v. Santa Clara Valley Water District, Santa Clara County Superior Court Case No. 2005-CV-053142; Cal. Court of Appeals Case Nos. HO35260 and HO35885; Cal. Supreme Court No. S231846 (the "Great Oaks Case"). While the 2005 Great Oaks case was pending, Great Oaks filed additional annual claims and additional annual lawsuits challenging Valley Water's groundwater production charges for each year after 2005, continuing through the present. Great Oaks' subsequent, similar lawsuits were stayed pending resolution of its 2005 case.

On February 3, 2010, the trial court issued a judgment ruling that Valley Water owed Great Oaks a refund of groundwater charges of approximately \$4.6 million plus interest at 7% per annum.

This judgment was appealed, and in 2015, the Court of Appeal reversed in full the judgment of the trial court finding that Valley Water's groundwater production charges did not violate Proposition 218 or the law. Great Oaks petitioned the California Supreme Court to review the Court of Appeal's ruling, and the Supreme Court granted its petition. The case was placed on hold pending the California Supreme Court's decision in a similar case, City of Buenaventura v. United Water Conservation District ("UWCD"). In late 2017, the California Supreme Court issued its opinion in the UWCD case, finding that Proposition 218 does not apply to groundwater charges, but that Article XIIC of the California Constitution does apply.

On June 12, 2020, an amended proposed omnibus "Master Complaint" of plaintiffs was approved for filing and filed under Santa Clara Superior Court Case No. 2011-CV-205462. Great Oaks alleged that Valley Water's groundwater production charges violated Proposition 26, and that Valley Water did not levy or collect groundwater charges from agricultural pumpers but instead used property taxes to pay these charges.

The second trial in the Great Oaks Case took place in June 2022 at which Great Oaks sought approximately \$85 million for the full amount it contends it paid to Valley Water for the years in question. A final statement of decision fully in Valley Water's favor was issued on February 8, 2023, and judgment for Valley Water was entered.

In March 2023, Great Oaks filed a notice of appeal of the judgment. In a February 28, 2025, decision, the Sixth District Court of Appeal ruled in favor of Valley Water affirming the trial court's judgment in full. The Court of Appeal determined that Valley Water's groundwater

charges levied against Great Oaks were not taxes. The Court of Appeal reasoned that these charges fell within exceptions under Proposition 26 for a specific benefit conferred or privilege granted, or a specific government service or produce provided directly to the payor (Great Oaks) that was not provided to those who were not charged. The Court of Appeal determined that Valley Water established that the groundwater charges were not more than necessary to cover the reasonable costs of its government activity. The Court of Appeal further determined that the manner in which Valley Water allocated these costs to Great Oaks bore a fair and reasonable relationship to the benefits Great Oaks receives from and the burdens it imposes on the government activity in satisfaction of Proposition 26. Finally, the Court of Appeal also determined that the requirements under Valley Water's use of ad valorem taxes to fund its agricultural discount was lawful and did not violate either the California Constitution or the California Water Code.

Great Oaks filed a petition for rehearing, which the Court of Appeal denied. On March 28, 2025, the Court of Appeal modified its opinion slightly and ordered it published. Great Oaks filed a petition for review with the California Supreme Court. In July 2025, the Supreme Court denied Great Oaks' petition, effectively ending this litigation.

### **Howard Jarvis Taxpayer Association v. Coachella Valley Water District**

Howard Jarvis Taxpayers Association is pursuing litigation against Coachella Valley Water District ("Coachella") challenging Coachella's collection of the SWP tax and use of SWP tax proceeds. Among other things, the lawsuit alleges that Coachella violated the California Constitution in imposing a SWP tax without evidence showing that this was necessary, i.e., that Coachella's water rate revenue was insufficient to pay SWP expenses. The trial court agreed with plaintiff, in holding that SWP expenses should generally be paid through water rates and not taxes, and Coachella's SWP tax was unlawful because the record failed to show that it was necessary for Coachella to impose the SWP tax, i.e., that it was infeasible to pay SWP expenses through its rates. The trial of this action was bifurcated and the damages phase of trial has not yet started. A final judgment will likely not be issued until late 2025 at the earliest.

Many SWP contractors, including Valley Water, rely on the imposition of the SWP tax to pay for all or most of their SWP expenses. If the trial court's decision is appealed and upheld on appeal, this could impair the ability of Valley Water and other SWP contractors to pay for their SWP expenses through use of the SWP tax, resulting in a significant increase in their water rates.

### **San Francisco Baykeeper v. SCVWD**

In September 2022, petitioner, San Francisco Baykeeper, filed a petition for writ of mandate and declaratory relief against Valley Water in Santa Clara County Superior Court for alleged violations of the California Fish and Game Code, waste and unreasonable use of water resources and violations of the public trust doctrine. (*San Francisco Baykeeper v. Valley Water*, Santa Clara County Superior Court, Case No. 22CV403523). Petitioners alleged that Valley Water does not operate its dams and waterways to allow sufficient water flows to maintain fish stocks in good condition, to remove artificial barriers that prevent fish passage and has failed to manage its waterways to protect habitat values for fish and wildlife. The petitioner in this action asks the court to order Valley Water to modify its operations to rectify the foregoing, and for an injunction

enjoining all activity of Valley Water which violate the California Fish and Game Code and common law until Valley Water implements an appropriate flow regime.

Valley Water filed two motions to stay this proceeding in 2024. In the first motion, Valley Water asked the Court to stay the case regarding operations in the Coyote Watershed (within which the Anderson Dam Seismic Retrofit Project is located) to allow a FERC proceeding to be completed. In the second motion, Valley Water asked the Court to stay the case regarding Valley Water's water rights licenses in the Guadalupe River and Stevens Creek Watersheds, because there is already a pending, contested water rights proceeding before the SWRCB involving all of Valley Water's licenses in these two watersheds. The Court granted these motions, staying this action pending resolution of the SWRCB hearing on Valley Water's water rights' change petitions. A further Case Management Conference has been scheduled for December 11, 2025.

As with any litigation, there is uncertainty as to the result. However, Valley Water believes it has reasonable defenses to petitioner's allegations, which it intends to assert. Valley Water cannot predict what effects this lawsuit may have or if such effects would be material.

### **Santa Clara Valley Water District v. 3M Company; et al.**

In response to required testing for PFAS chemicals at various fire-fighting training sites, Valley Water learned that PFAS were detected at one of its recharge ponds immediately adjacent to a fire training site. (The site drains to the pond.) In addition, several Valley Water retailer wells have tested positive for PFAS chemicals above State and federal recommended or mandated levels. In response, Valley Water has expended monies conducting testing for PFAS chemicals at a wide variety of sites and wells throughout the County. The EPA has proposed drinking water test standards for various PFAS chemicals, and PFAS are proposed to be listed as hazardous substances under federal law, imposing potential cleanup liability on any entity that handles, processes, or transports PFAS chemicals. This could impact Valley Water's disposal of sludge or reverse osmosis concentrate from its water treatment plants.

Valley Water filed suit against PFAS manufacturers to recoup current and anticipated future costs relating to PFAS testing and remediation, and this action was removed and transferred, pursuant to a Multi-District Litigation Order applicable to all PFAS cases involving aqueous film-forming foam, to the U.S. District Court for the District of South Carolina for all pre-trial proceedings. Valley Water has not settled its claims with any of the PFAS manufacturers that have entered into class action settlements (e.g., 3M, Dupont/Chemours, BASF, Tyco) and this matter remains pending in the district court.

### **Stanford University Claims**

On April 23, 2021, Valley Water received a claim from Stanford University ("Stanford") challenging Valley Water's application of groundwater charges in Charge Zone W-2 to Stanford. Stanford sought a refund of the Fiscal Year 2020-21 groundwater charges that it paid to Valley Water that fiscal year. Stanford has subsequently presented additional claims for a refund of all groundwater charges it has paid each fiscal year since this time through the present. The total value of these claims at present is approximately \$4.5 million. Valley Water has denied all of Stanford's claims.

Stanford argues that Valley Water's groundwater charges, as applied to Stanford, violate Proposition 26 (California Constitution, Article XIIC) and the District Act, and unlawfully interferes with Stanford's water rights and constitutes a taking. In its claim, Stanford asserts that imposition of the groundwater charges on Stanford are unlawful because Stanford does not materially benefit from Valley Water's groundwater recharge or other water utility activities. Valley Water believes Stanford's claims are without merit since Valley Water's consultant concluded in a 2020 groundwater benefit zone study that the groundwater basin from which Stanford pumps water benefits from Valley Water's groundwater recharge activities. This comprehensive study was relied upon by the Board when the Board updated Valley Water's groundwater charge zones, including Charge Zone W-2, on April 28, 2020.

Valley Water and Stanford have entered into a tolling agreement, tolling Stanford's time to bring suit while the parties attempt to informally resolve this dispute. If Stanford were to be successful in challenging Valley Water's groundwater charges, Valley Water would be liable for a refund of some or all groundwater charges levied against Stanford since Fiscal Year 2020-21. In addition, other pumpers might then bring similar lawsuits. A successful challenge by Stanford may have a material impact on Valley Water's groundwater charge revenue generated from groundwater benefit zone W-2.

#### **Toledo v. San Joaquin Regional Rail Commission, et al.**

This matter involves a pedestrian versus train accident on the Guadalupe River railroad bridge in the Alviso neighborhood of San Jose. Decedent was struck by a train and died while walking her dog with a friend on a railroad bridge crossing the Guadalupe River near Alviso, San Jose. Plaintiff, the father of decedent Celeste Toledo, brought this action against Valley Water and other defendants claiming a dangerous condition of public property and negligent bridge construction. After Valley Water agreed to a \$75,000 settlement with plaintiff and his counsel, which settlement was approved by the court, plaintiff unexpectedly passed away. Plaintiff's counsel is now seeking to substitute plaintiff's children, as well as the decedent's recently located mother as new plaintiffs. Valley Water expects its \$75,000 settlement will apply to the proposed new plaintiffs and still limit its obligations to the other defendants. If, for some reason, this settlement is not finalized, Valley Water believes it has strong defenses to plaintiffs' allegations, and Valley Water has filed a summary judgment motion. Valley Water cannot predict what effects this lawsuit may have if it goes forward or if such effects would be material.

#### **County of Santa Clara – Dunne Avenue Damages**

The County submitted a claim to Valley Water seeking damages for alleged landslide and settlement damages to its East Dunne Avenue roadway adjacent to Anderson Reservoir. The County maintains that the damages were caused by Valley Water's draining of the reservoir for a capital project. While no amount was specified in the claim, the County has since asserted that its estimated damages exceed \$4.2 million. Valley Water is currently evaluating the claim with respect to liability.

#### **Flooding Along Penitencia Creek**

Valley Water has received claims from the property owner, manager and certain residents of an apartment community located along the banks of Penitencia Creek for property damage from a flood event. The claims allege that overflow from Penitencia Creek which caused the flood was the result of Valley Water's negligence in properly designing, maintaining, inspecting and/or operating the stormwater drainage systems (including Penitencia Creek) and other water control infrastructure in the affected area. Valley Water is currently evaluating the claims with respect to liability. Valley Water may receive additional claims resulting from this flood event.]

**PART C.     Environmental Matters Disclosures.**

None.

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