



INDEPENDENT AUDITOR'S REPORT

November 27, 2017

To the Honorable Members of the Board of Directors
Santa Clara Valley District
San Jose, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Santa Clara Valley Water District (the District) as of and for the year ended June 30, 2017, and have issued our report thereon dated November 27, 2017.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the terms, covenants, provisions, or conditions as described in the Master Resolution, the Trust Agreement and the Installment Purchase Agreement, as summarized in Appendix B of the Certificates of Participation 2004 Series A official statements dated January 7, 2004, in Appendix B of the Certificates of Participation 2007 Series A official statement dated February 7, 2007, in Appendix B of the Certificates of Participation 2012 Series A official statement dated November 13, 2012 or in Appendix B of the Certificates of Participation 2017 Series A official statement dated February 14, 2017, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such compliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced covenants insofar as they relate to accounting matters.

This report intended for the information and use of the Board of Directors of the District Public Facilities Financing Corporation and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California
November 27, 2017

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