June 15, 2020

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Ms. Sun and Mr. Soong:

On behalf of JPMorgan Chase Bank, National Association ("JPMorgan"), I am pleased to submit the following responses to the Santa Clara Valley Water District's (the "District") request for additional information, dated June 10, 2020.

1) **What is the Bank's response to Banktrak's rankings (attached)? Have you or do you plan on implementing any changes to address the issues raised by Banktrak?**

   We have no official response to the Banktrak rankings provided, other than to note that of the banks that responded to the District's RFP, JPMorgan was ranked in the highest category. For information on the ongoing social responsibility initiatives of the Bank's parent company, JPMorgan Chase & Co., please see use this link: https://institute.jpmorganchase.com/impact. Please also see comments made by JPMorgan Chase & Co.'s CEO in his annual letters to shareholders over the years: https://www.jpmorganchase.com/corporate/investor-relations/annual-report-proxy.htm. We would be happy to respond to specific questions the District has about any programs described in these links.

2) **What is the Bank's response to Bloomberg's rankings (attached)? Have you or do you plan on implementing any changes to address the issues raised by Bloomberg?**

   We have no response to the Bloomberg rankings provided.

3) **Are there any other ESG information the bank wishes to provide? For example, how many branches/employees does the bank have in Santa Clara County and the 9 Bay area counties? Does the Bank have any social responsibility (corporate policies) policies that can be shared with the Board?**

   Please see the links provided in our response to question 1 above. JPMorgan has 57 branches and 902 resident employees in Santa Clara County. JPMorgan has 148 branches and 2,700 resident employees in the San Francisco-Oakland-Hayward MSA.

4) **Will the bank consider offering Valley Water credit up to $180million, and, act as a lead bank to offer an additional $20 million syndicated loan to small and local banks/credit unions? The syndication agreement would be between the lead bank and the local banks. The pricing for the local banks is subject to discussion, and may be higher than pricing for the lead bank given the District board's desire to incentivize small local banks participation. If not, does the bank have other ideas/mechanisms to involve small local banks participation in the line of credit business?**

   JPMorgan is willing to provide $180 million of credit to the District and to act as lead bank in syndicating an additional $20 million. All banks in the syndication would need to receive the same terms as JPMorgan.

5) **Will the bank consider revising the fee proposal after reviewing the 6/9 Staff Report summarizing the results of the RFP? If so, please submit your revised fee proposals along with the information requested here by 10 am on June 15, 2020.**

JPMorgan will not revise its fee proposal.

JPMorgan has reviewed Attachment 1 – Bank Proposals Summary of the 6/9 Staff Report. To facilitate the comparison of bank proposals, we have provided the following additional terms and conditions consistent with the form of Attachment 1 – Bank Proposals Summary.

Long- / Short-Term Ratings:	Fitch: AA / F1+ (Negative) Moody's: Aa2 / P-1 (Stable) S&P" A+ / A-1 (Stable)
Credit Amount:	$200,000,000
Unutilized Fee %	1-year: 0.750% p.a. 2-year: 0.775% p.a. 3-year: 0.800% p.a.
Tax-exempt rate:	Index: 80% of 1-month LIBOR + 1-year: 1.500% p.a. 2-year: 1.550% p.a. 3-year: 1.600% p.a.
Taxable rate:	Index: 100% of 1-month LIBOR + 1-year: 1.800% p.a. 2-year: 1.850% p.a. 3-year: 1.900% p.a.
Index Floor:	0.75% p.a.
Base Rate:	The highest of (i) JPMorgan's Prime Rate plus 1.50% p.a.; (ii) the Federal Funds Rate plus 2.00% p.a.; or (iii) 7.50% p.a.
Bank / Advance Rate:	Days 1-180: Base Rate Days 181+: Base Rate plus 1.00% p.a.
Default Rate:	Base Rate plus 3.00% p.a.
Failure to Close Fee:	$7,500 if mandated and before delivery of 1st draft of the credit agreement
Termination Fee:	Balance of unutilized fee for the remaining term
Extension:	A renewal request may be made in writing by no more than 120 days prior to the expiration date of the facility
Term Out Period:	5 years
Downgrade Provisions	Increases to the initial unutilized fee rate / applicable spread, respectively: AA+ / Aa1: 0.00% / 0.00% AA / Aa2: 0.10% / 0.20% AA- / Aa3: 0.20% / 0.40% A+ / A1: 0.30% / 0.60%

A / A2: 0.40% / 0.80%
A- / A3: 0.50% / 1.00%
BBB+ / Baa1: 0.60% / 1.20%
BBB / Baa2: 0.70% / 1.40%
BBB- / Baa3: 0.80 / 1.60%

In the event the rating assigned by Moody's, S&P, or Fitch is withdrawn, suspended or otherwise unavailable, (i) the unutilized fee rate shall be increased immediately, without notice, by an additional 1.00% p.a. and (ii) the interest rate on advances shall increase to the Default Rate.

Please note that the terms included in this response are subject to final credit approval. Nothing expressed or implied herein constitutes a commitment by JPMorgan or any of its affiliates to lend or provide any financial services; such obligations would arise only under separate written agreements mutually acceptable to the District and JPMorgan.

Please contact me if you have any questions or comments regarding this response. Thank you for your consideration.

Best regards,



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