

**AGENDA  
IRVINE RANCH WATER DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING**

January 22, 2024

**CALL TO ORDER** 5:00 p.m.

**PLEDGE OF ALLEGIANCE**

**ROLL CALL** Directors McLaughlin, Withers, Swan, LaMar, and President Reinhart

**PUBLIC COMMENT NOTICE**

This meeting will be held in-person at the District’s headquarters located at 15600 Sand Canyon Avenue, Irvine, California. The meeting will also be broadcasted via Webex for those wanting to observe the meeting virtually.

To observe this meeting virtually, please join online using the link and information below:

Via Web: <https://irwd.webex.com/irwd/j.php?MTID=m03968c67b23bb4e2dd151ca12585820e>

Meeting Number (Access Code): 2490 775 2380

Meeting Password: gmPyPxaQ333 (46797927 from video systems)

PLEASE NOTE: Webex observers of the meeting will be placed into the Webex lobby when the Board enters closed session. Participants who remain in the “lobby” will automatically be returned to the open session of the Board once the closed session has concluded. Observers joining the meeting while the Board is in closed session will receive a notice that the meeting has been locked. They will be able to observe the meeting once the closed session has concluded.

Public comments are limited to three minutes per speaker on each subject. If you wish to address the Board of Directors on any item, you may attend the meeting in person and submit a “speaker slip” to the Secretary. Forms are provided outside of IRWD’s Board Room. If attending via Webex, please submit your request to speak, or your comment, via the “chat” feature and your remarks will be read into the record at the meeting. You may also submit a public comment in advance of the meeting by emailing [comments@irwd.com](mailto:comments@irwd.com) before 12:00 p.m. on Monday, January 22, 2024.

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**COMMUNICATIONS TO THE BOARD**

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1. Written:
2. Oral:
3. ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Recommendation: Determine the need to discuss and/or take immediate action on item(s).

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**CONSENT CALENDAR, Items 4 through 9**

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4. BOARD MEETING MINUTES

Recommendation: That the minutes of the December 11, 2023 Regular Board meeting and December 12, 2023 Adjourned Regular Board meeting be approved as presented.

5. MEMORANDUM ON OFFICERS OF THE BOARD, COMMITTEE APPOINTMENTS AND OTHER ASSIGNMENTS

Recommendation: That the Board receive and file the memorandum dated January 22, 2024, titled Officers of the Board, Committee Appointments and Other Assignments and approve attendance for meetings and events for the Board's representation for calendar year 2024 as delineated.

6. APPOINTMENT OF ASSISTANT TREASURER

Recommendation: That the Board appoint Neveen Adly as the Irvine Ranch Water District Assistant Treasurer effective January 22, 2024.

7. DECEMBER 2023 TREASURY REPORT

Recommendation: That the Board receive and file the Treasurer's Investment Summary report, the summary of fixed and variable rate debt, and the disclosure report of reimbursements to Board members and staff, approve the December 2023 summary of payroll ACH payments in the total amount of \$3,762,189, and approve the December 2023 accounts payable disbursement summary of warrants 439830 through 440234, Workers' Compensation distributions, ACH payments, virtual card payments, wire transfers, payroll withholding distributions, and voided checks in the total amount of \$14,353,604.

8. ADOPTION OF REVISED IRWD SCHEDULE OF POSITIONS AND SALARY RATE RANGES

Recommendation: That the Board adopt a resolution superseding Resolution No. 2023-16 and adopting a revised Schedule of Positions and Salary Rate Ranges for the General Unit, Non-Exempt Supervisor Unit, and for Managers, Exempt Supervisors, Confidential and Exempt Employees.

9. FISCAL YEAR 2023-24 IRWD GUIDING PRINCIPLES SCORECARD

Recommendation: Receive and file.

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## **ACTION CALENDAR**

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10. REMARKETING OF IRWD SERIES 2011A BONDS

Reso No. 2024-2

Recommendation: That the Board adopt a resolution approving the Remarketing Statement Relating to Unscheduled Mandatory Tenders of the Bonds of Irvine Ranch Water District (Refunding Series 2011A-1 and Refunding Series 2011A- 2), authorizing Amendments to the Related Remarketing Agreements and Indentures of Trust, authorizing Reimbursement Agreements for Letters of Credit, and authorizing the Execution and Delivery of all related documents.

11. DASH CAM AND TELEMATICS PLATFORM SERVICES AGREEMENT

Recommendation: That the Board authorize the General Manager to execute a three-year services agreement with Samsara, Inc., in the total amount of \$487,613 for Dash Camera and Telematics Platform Services.

12. DRAFT TERMS FOR EXCHANGE PROGRAM WITH SANTA CLARA VALLEY WATER DISTRICT

Recommendation: That the Board authorize the General Manager to execute an Exchange Program Agreement with Santa Clara based on the draft terms presented, subject to substantive changes approved by the Supply Reliability Programs Committee and special legal counsel.

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## **OTHER BUSINESS**

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Pursuant to Government Code Section 54954.2, members of the Board of Directors or staff may ask questions for clarification, make brief announcements, and make brief reports on his/her own activities. The Board or a Board member may provide a reference to staff or other resources for information, request staff to report back at a subsequent meeting concerning any matter, or direct staff to place a matter of business on a future agenda. Such matters may be brought up under the General Manager's Report or Directors' Comments. Pursuant to AB 1234 and Government Code Section 53232.3(d), a written draft report of the meetings that any Board member attended on behalf of IRWD since the last Board Meeting will be available at the table near the Board Room entrance, and will be amended verbally, if necessary, during Directors' Comments.

13. General Manager's Report

14. Receive oral update(s) from District liaison(s) regarding communities within IRWD's service area and interests.

15. Directors' Comments and Meeting Reports

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**OTHER BUSINESS, continued**

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16. Adjournment

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Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Board in connection with a matter subject to discussion or consideration at an open meeting of the Board are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available electronically via the Webex meeting noted. Upon request, the District will provide for written agenda materials in appropriate alternative formats, and reasonable disability-related modification or accommodation to enable individuals with disabilities to participate in and provide comments at public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, or alternative format requested at least two days before the meeting. Requests should be emailed to [comments@irwd.com](mailto:comments@irwd.com). Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

January 22, 2024  
Prepared and  
submitted by: L. Bonkowski  
Approved by: Paul A. Cook 

CONSENT CALENDAR

BOARD MEETING MINUTES

SUMMARY:

Provided are the minutes of the December 11, 2023 Regular Board meeting and the December 12, 2023 Adjourned Regular Board meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE DECEMBER 11, 2023 REGULAR BOARD MEETING AND THE DECEMBER 12, 2023 ADJOURNED REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – December 11, 2023 Minutes  
Exhibit "B" – December 12, 2023 Minutes

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## EXHIBIT "A"

### MINUTES OF REGULAR MEETING –DECEMBER 11, 2023

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order by President McLaughlin at 5:00 p.m. on December 11, 2023 at the District offices, 15600 Sand Canyon Avenue, Irvine.

Directors Present: LaMar, Swan, Withers, Reinhart, and McLaughlin.

Director Absent: None.

Oral and Written Communications: None.

Items too late to be agendized: None.

Also Present: General Manager Cook, Executive Director of Operations Chambers, Executive Director of Water Policy Weghorst, Executive Director of Technical Services Burton, Executive Director of Finance and Administration Adly, Director of Water Quality and Regulatory Compliance Colston, Director of Water Resources Sanchez, Director of Human Resources Mitcham, Director of Safety and Security Choi, Director of Maintenance Manning, Director of Recycling Operations Zepeda, Director of Treasury Morris, Director of Strategic Communication and Advocacy Compton, Secretary Bonkowski, Assistant Secretary Swan, General Counsel Collins, and members of the staff and public.

### PRESENTATIONS

#### 4. PROCLAMATIONS

General Manager Cook presented proclamations to Mr. Frank Soto for his 24 years of service and to Ms. Julie Bendzick-Sin for her 20 years of service to the District.

At 5:20 p.m., General Counsel Collins left the Board Room.

### CONSENT CALENDAR

On MOTION by Reinhart, seconded by Swan and unanimously carried, CONSENT CALENDAR ITEMS 5 THROUGH 11 WERE APPROVED AS FOLLOWS:

#### 5. BOARD MEETING MINUTES

Recommendation: That the minutes of the November 27, 2023 Regular Board meeting be approved as presented.

CONSENT CALENDAR (CONTINUED)

6. 2023 – 2024 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: That the Board authorize the District to sponsor legislation in 2024 to establish state policy to encourage and incentivize, but not mandate, the development of emergency water supplies, and to support the use of emergency supplies during times of water shortage, and to sponsor legislation in 2024 to clarify existing law that the cost associated with peak water usage should be reasonably allocated to the parcels served by a water service provider and that those costs could be allocated based on meter size, peaking factors, or any other method consistent with Proposition 218.

7. NOVEMBER 2023 TREASURY REPORT

Recommendation: That the Board receive and file the Treasurer’s Investment Summary report, the summary of fixed and variable rate debt, and the disclosure report of reimbursements to Board members and staff, approve the November 2023 summary of payroll ACH payments in the total amount of \$ \$2,643,092, and approve the November 2023 accounts payable disbursement summary of warrants 439246 through 439829, Workers’ Compensation distributions, ACH payments, virtual card payments, wire transfers, payroll withholding distributions, and voided checks in the total amount of \$19,169,707.

8. PROPOSED 2024 INVESTMENT POLICY

Recommendation: That the Board adopt the following resolution superseding Resolution No. 2022-18 and approving an Investment Policy and authorizing the Treasurer and Assistant Treasurers to invest and reinvest funds of the District and each of its Improvement Districts and to sell and exchange securities.

RESOLUTION NO. 2023-17

RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE IRVINE RANCH WATER DISTRICT  
APPROVING AN INVESTMENT POLICY AND  
AUTHORIZING THE TREASURER AND ASSISTANT TREASURERS  
TO INVEST AND REINVEST FUNDS OF THE DISTRICT  
AND OF EACH OF ITS IMPROVEMENT DISTRICTS  
AND TO SELL AND EXCHANGE SECURITIES,  
SUPERSEDING RESOLUTION 2022-18

9. IRWD GENERAL COUNSEL CONTRACT FOR 2024

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with Hanson Bridgett LLP for general counsel legal services focused on municipal law, transactional and non-complex issues, and rate-setting with a term of January 1, 2024, to December 31, 2024, and a not-to-exceed value of \$1,235,000.



## CONSENT CALENDAR (CONTINUED)

### 10. VARIANCE TO THE LETTER OF ENGAGEMENT WITH FISHER PHILLIPS

Recommendation: That the Board authorize the General Manager, or his designee, to execute a variance to the Letter of Engagement with Fisher Phillips for legal services related to human resources related litigation increasing the not-to-exceed value of the contract to \$600,000.

### 11. TEMPORARY STAFFING PROFESSIONAL SERVICES AGREEMENT VARIANCE

Recommendation: That the Board authorize the General Manager to execute a variance for an amount not-to-exceed \$200,000 with Operational Technical Services LLC for temporary staffing services.

Ms. Collins re-joined the meeting at 5:22 p.m.

## ACTION CALENDAR

### 36-INCH TRUNK SEWER PROTECTION WITHIN SAN DIEGO CREEK AT STATE ROUTE 133 CONSTRUCTION AWARD

Executive Director of Technical Services Burton reported that the 36-inch Trunk Sewer Protection within San Diego Creek at State Route 133 project will install a temporary sanitary sewer bypass system to maintain IRWD's sewer conveyance capabilities during the construction of a California Department of Transportation (Caltrans) bridge widening project over San Diego Creek. Mr. Burton said that since IRWD's 36-inch trunk sewer is near the proposed extensions of the bridge pier foundation, Caltrans's contract includes installing protective measures for the sewer. He said that if Caltrans construction activities damage IRWD's 36-inch trunk sewer, IRWD's project will remove and replace the damaged portion of sewer.

Mr. Burton said that in coordination with Caltrans's project schedule, Woodard & Curran completed the sewer protection plans in October 2023 and the project was advertised to a select bidders list of 20 pipeline and bypass pumping specialty contractors. He said that the bid opening was held on November 16, 2023 and one bid was received from Charles King Company (CKC) in the amount of \$2,593,600. He said that other contractors likely decided not to bid against CKC as CKC is considered the leader in this specific area. CKC's bid was nearly double the engineer's estimate of \$1,331,000. The bid items with the largest cost differences were items related to sewer bypassing, along with the dewatering, trench safety, excavation, and replacement pipe costs for the existing sewer (if it is damaged). He said that staff also attributes the overall complexity and uncertainty of working with Caltrans and within the creek, and the tight schedule for the project to be completed only in the "dry season" from May 1 through September 30 as other factors for the difference between the bid and engineer's estimate.

Following discussion, on MOTION by LaMar, seconded by Withers, and unanimously carried, THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$1,530,000, FROM \$1,223,000 TO \$2,753,000, AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH CHARLES KING COMPANY IN THE AMOUNT OF \$2,593,600 FOR THE 36-INCH TRUNK SEWER PROTECTION WITHIN SAN DIEGO CREEK AT STATE ROUTE 133, PROJECT 12125; AND THAT BASED ON THE CALTRANS FINAL MITIGATED NEGATIVE DECLARATION, THE BOARD IN ITS INDEPENDENT JUDGEMENT AND ANALYSIS FOUND THAT WITH MITIGATION, THERE IS NO SUBSTANTIAL EVIDENCE THAT THE PROJECT WILL HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT; AND AUTHORIZED STAFF TO POST AND FILE A NOTICE OF DETERMINATION.

#### DRAFT TERMS FOR SHORT-TERM EXCHANGE PROGRAM WITH SILVERTIP

Water Resources Manager Welch reported that the proposed draft Short-Term Exchange Program terms would allow Silvertip to deliver up to 8,000 AF of its Dudley Ridge SWP water supplies to the IRWD Water Bank, with 50% of the water being transferred to IRWD through Metropolitan Water District. Delivery of Silvertip's water into storage would occur prior to the end of calendar year 2025 after the recharge needs of IRWD and its other exchange partners have been met. Silvertip's share of the water would be returned by the end of the sixth year either by in-ground transfer(s) to another banking project or by pumping wells at the IRWD Water Bank. The pumping of wells for Silvertip would occur after meeting the needs of IRWD and its other exchange partners. The short-term program would be implemented as a pilot that could lead to longer-term opportunities.

Director Reinhart said that this item was reviewed at the Supply Reliability Programs Committee meeting on December 6, 2023. Following discussion, on MOTION by Reinhart, seconded by Swan and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A SHORT-TERM EXCHANGE PROGRAM AGREEMENT WITH SILVERTIP BASED ON THE DRAFT TERMS PRESENTED, SUBJECT TO SUBSTANTIVE CHANGES APPROVED BY COMMITTEE AND SPECIAL LEGAL COUNSEL.

#### ELECTION OF OFFICERS FOR 2024

General Manager Cook reported that the Bylaws of the District provide that the President and Vice President shall be elected by the Board from among its members with the term of office for one year, or until the election and qualification of their successors. Mr. Cook, acting as temporary Chairman conducted the election for President. Director Withers asked to nominate a slate with Director Reinhart as President and Director LaMar as Vice President. As no other nominations were made, Director Swan asked that the election be made by acclamation and DIRECTOR REINHART WAS UNANIMOUSLY ELECTED PRESIDENT AND DIRECTOR LAMAR WAS UNANIMOUSLY ELECTED VICE PRESIDENT.

#### OTHER BUSINESS

##### 15. General Manager's Report

General Manager Cook introduced Ms. Lori Rigby, the District's newly appointed Regulatory Compliance Manager.

16. Community Updates – None.

17. Directors' Comments and Meeting Reports

Pursuant to AB 1234 and Government Code Section 53232.3(d), written reports of the meetings that Board members attended on behalf of IRWD since the last Board Meeting were provided at the meeting. Amendments to the written reports were provided orally, and together the reported meetings were as follows:

Director Swan reported on his attendance at a September 12 through September 15 Water Education Foundation Eastern Sierra Tour in Reno, Nevada, a September WACO Planning Committee Meeting, a September 20 MWDOC Board Meeting, a September 27 Southern California Water Dialogue meeting, an October 2 MWDOC Planning and Operations Committee Meeting, an October 3 Southern California Water Dialogue Steering Committee Meeting, an October 4 MWDOC Board Workshop with MWD Directors, a WACO Monthly Meeting, an October 7 IRWD Show 'n' Tell Open House, a November 29 through November 30 ACWA Fall Conference, a December 4 MWDOC Planning and Operations Committee Meeting, a December 6 MWDOC Board Workshop with MWD Directors, a December 7 Groundwater Banking JPA Board Meeting, and a December 8 WACO Monthly Meeting.

Director LaMar reported on his attendance at a October 26 ACWA Special Board Meeting, an October 30 ACWA Officers' Meeting, a November 2 SCWC Board Meeting, a November 2 SCWC Annual Dinner, a November 3 WACO Monthly Meeting, a November 6 CWA Officers' Meeting, a November 7 through November 10 NWRA Annual Conference and Leadership Forum in San Antonio, Texas, an ACWA Executive Committee meeting, a November 17 ACWA Board of Directors Meeting, a UCI 2023 Water Policy Forum, a November 20 ACWA Officers' Meeting, a November 21 South Orange County Agencies' Group Meeting, a November 27 through November 30 ACWA Fall Conference, a December 4 ACWA Officers' Meeting, a December 7 OCWD Communications and Legislation Liaison Committee Meeting, and a December 8 WACO Monthly Meeting.

Director Reinhart reported on his attendance at a November 28 through November 30 ACWA Fall Conference, a December 7 Groundwater Banking JPA Board Meeting, a December 7 OCWD Communications and Legislation Liaison Committee Meeting, a December 6 MWDOC Board Workshop, and a December 8 WACO Monthly Meeting.

Director Withers reported on his attendance at the November 28 through November 30 ACWA Fall Conference, a December 5 ISDOC Executive Committee Meeting, and a December 8 WACO Monthly Meeting.

Director McLaughlin reported on her attendance with General Manager Cook today for her monthly meeting.

18. Adjournment

President Reinhart adjourned the Board meeting to Tuesday, December 12 at noon to hold a Strategic Planning Workshop in the first floor Sand Canyon Room at 15600 Sand Canyon Avenue, Irvine.

APPROVED and SIGNED this 22nd day of January 2024.

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President, IRVINE RANCH WATER DISTRICT

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Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

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Claire Hervey Collins, General Counsel  
Hanson Bridgett LLP

EXHIBIT "B"

MINUTES OF ADJOURNED REGULAR MEETING – December 12, 2023

The adjourned regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 12:00 p.m. in the Board / Sand Canyon Room by President Reinhart on December 12, 2023 at 15600 Sand Canyon Avenue, Irvine.

Directors Present: Withers, Swan, McLaughlin, LaMar, and Reinhart.

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Technical Services Burton, Executive Director of Water Policy Weghorst, Executive Director of Finance and Administration Adly, Director of Treasury and Risk Management Morris, Director of Human Resources Mitcham, Director of Safety Choi, Director of Water Quality Colston, Executive Director of Operations Chambers, Director of Recycling Operations Zepeda, Director of Information Services Kaneshiro, Director of Water Resources Sanchez, Director of Maintenance Manning, Director of Strategic Communications and Advocacy / Deputy General Counsel Compton, Secretary Bonkowski, Consultant Newell, Senior Executive Assistant Franchville, and General Counsel Collins.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED: None.

DRAFT IRWD 2024 GOALS AND TARGET ACTIVITIES

General Manager Cook noted the mission, vision, and guiding principles and the strategic objectives are in the package and inquired of the Board if there were any changes or suggestions. There were none. Mr. Cook and staff then reviewed the draft 2024 IRWD Goals and Target Activities list. Input from the Board was provided to staff on several of the items.

ADJOURNMENT

There being no further comments, President Reinhart adjourned the meeting.

APPROVED and SIGNED this 22nd day of January 2024.


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President, IRVINE RANCH WATER DISTRICT

\_\_\_\_\_  
Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

\_\_\_\_\_  
Claire Hervey Collins, General Counsel  
Hanson Bridgett LLP

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January 22, 2024  
Prepared and  
submitted by: C. Compton  
Approved by: Paul A. Cook 

CONSENT CALENDAR

MEMORANDUM ON OFFICERS OF THE BOARD,  
COMMITTEE APPOINTMENTS AND OTHER ASSIGNMENTS

SUMMARY:

Each year, the President of the Board of Directors provides the Board with a memorandum on the upcoming year's officers of the Board, Committee appointments and other assignments. As a result of changes implemented by President Reinhart, the following actions are necessary:

- Receive and file the January 22, 2024, Memorandum on Officers of the Board, Committee Appointments and Other Assignments (Memorandum), and
- Approve attendance at meetings and events by Directors for the 2024 calendar year.

BACKGROUND:

IRWD Board members serve on various standing committees and ad hoc committees (when such a committee is created by the Board President) and also serve the District in various other assignments. President Reinhart has reviewed and updated the Committee appointments and other District assignments for 2024; the updated Memorandum is provided as Exhibit "A". The changes from appointments and assignments memorandum for 2024 are highlighted in red text.

Approval of Attendance at Meetings and Events:

Pursuant to Resolution 2014-38, adopted on August 25, 2014, approval / ratification of attendance at events and meetings for non-IRWD Board or Committee meetings is required by the Board of Directors for certain meetings and events. For those meetings and events falling under Section 2(b) of Article II of Exhibit "A" to the Resolution, approval is requested to authorize attendance of the Board Members assigned as the District's representative/lead, and their alternates, as listed in the Memorandum, at meetings and events of governmental agencies and external organizations during the 2024 calendar year. Also provided in Exhibit "A" is a list of the approved organizations.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

Consent Calendar: Memorandum on Officers of the Board, Committee Appointments and Other Assignments

January 22, 2024

Page 2

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:


THAT THE BOARD RECEIVE AND FILE THE MEMORANDUM DATED JANUARY 22, 2024, TITLED OFFICERS OF THE BOARD, COMMITTEE APPOINTMENTS AND OTHER ASSIGNMENTS AND APPROVE ATTENDANCE FOR MEETINGS AND EVENTS FOR THE BOARD'S REPRESENTATION FOR CALENDAR YEAR 2024 AS DELINEATED.

LIST OF EXHIBITS:

Exhibit "A" – Memorandum from President Reinhart dated January 22, 2024, titled Officers of the Board, Committee Appointments and Other Assignments



**MEMORANDUM**

DATE: January 22, 2024  
TO: Board of Directors  
FROM: Doug Reinhart, President   
SUBJECT: MEMORANDUM RELATIVE TO OFFICERS OF THE BOARD, COMMITTEE APPOINTMENTS, AND OTHER ASSIGNMENTS

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District Board of Directors:

- President **Doug Reinhart**
- Vice President **Steve LaMar**
- Directors Karen McLaughlin, Peer Swan, John Withers

Officers of the District, Staff:

- District Treasurer **Kent Morris**
- Assistant District Treasurer Jennifer Davis, **Neveen Adly**
- District Secretary Leslie Bonkowski
- Assistant District Secretaries Kristine Swan, Christine Compton

Standing Committees Appointments:

*Committee chair name shown first:*

- Engineering and Operations McLaughlin, **Withers** (Alt. **Reinhart**)
- Finance and Personnel Swan, LaMar (Alt. Reinhart)
- Supply Reliability Programs Reinhart, Swan (Alt. LaMar)
- Water Resources Policy & Communications LaMar, **McLaughlin** (Alt. **Withers**)
- Serrano Water District / IRWD Withers, Reinhart (Alt. Swan)

Governmental Agencies Representation and Assignments:

- Canyons Communities Withers (Representative), LaMar (Alternate)
- City of Costa Mesa Swan (District Lead), McLaughlin (Alternate)
- City of Irvine McLaughlin (District Lead), LaMar (Alternate)
- City of Lake Forest Withers (District Lead), Reinhart (Alternate)
- Municipal Water District of Orange County Swan (District Lead), Reinhart (Alternate)
- Natural Communities Coalition\*\* LaMar (Director), McLaughlin (Alternate)
- City of Newport Beach Swan (District Lead), Reinhart (Alternate)
- Newport Bay Watershed Executive Cte.\*\* Swan (Rep), McLaughlin & Cook (Alternates)
- City of Orange / OPA Withers (District Lead), LaMar (Alternate)
- Orange County Sanitation District (OCSD)\*\* Withers (Director), Reinhart (Alternate)
- Orange County Water District (OCWD) Reinhart (District Lead), LaMar (Alternate)
- Santiago Aqueduct Commission (SAC)\*\* Withers (Director), McLaughlin (Alternate)
- South Orange County Watershed Management Area Executive Committee\*\* McLaughlin (Representative),  
LaMar (Alternate)
- City of Tustin LaMar (District Lead), McLaughlin (Alternate)

\*\* Need to notify these agencies of any changes

External Organizations Assignments:

- Association of CA Water Agencies (ACWA) All Board Members
- ACWA/Joint Powers Insurance Authority Swan (District Lead), LaMar (Alternate)
- CA Association of San. Agencies (CASA) All Board Members
- CA Council for Environmental and Economic Balance (CCEEB) LaMar (District Lead); Compton and Colston (Alternates)
- County of Orange Area Safety Task Force LaMar (District Lead); **Bronstein** (Alternate)
- El Toro Restoration Advisory Board McLaughlin (District Lead), Colston (Alt.)
- Independent Special Districts of OC (ISDOC) Withers (District Lead), Reinhart (Alt.)
- Greater Irvine Chamber of Commerce LaMar (District Lead); McLaughlin (Alternate)
- Kern Fan Groundwater Banking Authority Same as members of IRWD SRP Committee
- Kern Fan GBA – Finance Committee Swan and **Adly**
- Kern Fan GBA – Project Committee Reinhart, Cook, and **Adly**
- National Water Research Institute (NWRI) Withers (District Lead), Reinhart (Alternate)
- Newport Chamber of Commerce Swan (District Lead), Reinhart (Alternate)
- Orange County Business Council (OCBC) LaMar (District Lead),  
Withers (Infrastructure Committee)  
Compton (Govt. Affairs & Advocacy)
- Orange County Water Association All Board Members
- Public Policy Institute of California Swan (District Lead), LaMar (Alternate)
- South Orange County Economic Coalition McLaughlin (District Lead), **Compton** (Alt.)
- South Orange County Water Agencies Group Reinhart (District Lead), LaMar (Alternate)
- Southern California Water Dialogue Group Swan (District Lead), LaMar (Alternate)
- Southern California Water Coalition LaMar (District Lead), McLaughlin (Alternate)
- Urban Water Institute All Board Members
- Water Advisory Committee of OC (WACO) All Board Members
- Water Education Foundation All Board Members

IRWD-Associated Organizations Officers:

- Bardeen Partners, Inc. Withers, President; Swan, Vice President  
LaMar, McLaughlin, & Reinhart as Members  
Cook, General Manager  
**Morris**, Treasurer  
Davis, Assistant Treasurer  
L. Bonkowski, Secretary
- IRWD Water Service Corporation Reinhart, President; Withers, Vice President  
LaMar, McLaughlin, & Swan as Members  
**Morris**, Treasurer  
Davis, Assistant Treasurer  
L. Bonkowski, Secretary
- Pension 115 Trust and Other Post Retirement Benefits (OPEB) 115 Trust Swan, Chairman; LaMar, Vice Chair  
Cook, Member (Alt. Withers)  
**Morris**, Treasurer  
Davis, Assistant Treasurer  
L. Bonkowski, Secretary

IRWD-Supported Organizations Representation:


- San Joaquin Wildlife Sanctuary, Inc.                    Swan, President  
    McLaughlin, Director  
    L. Bonkowski, Treasurer, Director  
    and Secretary
  
- Shadetree Partnership, Inc.                                T. Bonkowski, Director and Treasurer  
    L. Bonkowski, Director and Secretary  
    Cook, Director  
    Swift, Director

*NOTE: The officers and directors of these two groups are selected by the Board of each organization, not IRWD.*

Organization / Committee Staff Representation and Support:

- Association of CA Water Agencies (ACWA)            Compton, Collins
- Bioenergy Association of CA                              Compton (Chair)
- California Assoc. of Sanitation Agencies            Chambers, Zepeda, Colston, Compton
- California Municipal Utilities Assoc. (CMUA)        Cook (Exc. Cte., Board Member), Compton
- California Special Districts Assoc. (CSDA)           Compton
- California Water Environmental Assoc.                Chambers, Zepeda
- National Water Research Institute (NWRI)           Colston
- Newport Bay Watershed Mgmt. Comm.                Tettemer (Representative), Cook (Alternate)
- Santiago Aqueduct Commission (SAC)                Cook (General Manager), Burton (Engineer)  
    Adly (Treasurer)
  
- South Orange County Watershed                        Tettemer  
  Mgmt. Area Executive Committee
  
- WaterReuse California                                      Cook (Board member), Tettemer, Compton

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January 22, 2023  
Prepared and  
submitted by: L. Bonkowski  
Approved by: Paul A. Cook 

CONSENT CALENDAR

APPOINTMENT OF ASSISTANT TREASURER

SUMMARY:

Annually, the Board authorizes the Treasurer and any Assistant Treasurer to invest District funds in accordance with the Board-approved investment policy. With the hiring of Neveen Adly as IRWD's Executive Director of Finance and Administration, staff recommends that the Board appoint her as the District's Assistant Treasurer to assist with this effort as required.

BACKGROUND:

Currently, Kent Morris is the District's Treasurer and Jennifer Davis is Assistant Treasurer. As the position of Executive Director of Finance and Administration has been filled by Neveen Adly, it has been the practice of the District to have this position also hold the position of an Assistant Treasurer who can also perform various duties as required or in the absence of the Treasurer / Assistant Treasurer.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDED MOTION:

THAT THE BOARD APPOINT NEVEEN ADLY AS THE IRVINE RANCH WATER DISTRICT ASSISTANT TREASURER EFFECTIVE JANUARY 22, 2024.

LIST OF EXHIBITS:

None.

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January 22, 2024

Prepared by: O. Mendoza / J. Davis

Submitted by: K. Morris / N. Adly

Approved by: Paul A. Cook *PAC*

## CONSENT CALENDAR

### DECEMBER 2023 TREASURY REPORT

#### SUMMARY:

The following is submitted for the Board's information and approval:

- A. The December 2023 Investment Summary Report. This Investment Summary Report conforms with the 2023 Investment Policy and provides sufficient liquidity to meet estimated expenditures during the next six months as outlined in Exhibit "A";
- B. The Summary of Fixed and Variable Rate Debt as of December 31, 2023 as outlined in Exhibit "B";
- C. The Monthly Interest Rate Swap Summary as of December 31, 2023 as outlined in Exhibit "C";
- D. The December 31, 2023 Disbursement Summary of warrants 439830 through 440234, Workers' Compensation distributions, ACH payments, virtual card payments, wire transfers, payroll withholding distributions, and voided checks in the total amount of \$14,353,604 as outlined in Exhibit "D";
- E. The Summary of Payroll ACH payments in the total amount of \$3,762,189 as outlined in Exhibit "E"; and
- F. The Disclosure Report of Reimbursements to Board members and staff for December 2023, detailing payments or reimbursements for individual charges of \$100 or more per transaction as outlined in Exhibit "F".

#### FISCAL IMPACTS:

As of December 31, 2023, the book value of the investment portfolio was \$396,155,294, with a 4.29% rate of return and a market value of \$396,046,763. Based on IRWD's December 31, 2023, quarterly real estate annualized investment rate of return of 14.37%, the weighted average return for the fixed income and real estate investments was 6.49%.

As of December 31, 2023, the outstanding principal amount of fixed and variable rate debt was \$594,490,000. The monthly weighted average all-in variable rate was 3.29%. Including IRWD's weighted average fixed rate bond issues of 3.72% and the negative cash accruals from fixed payer interest rate swaps, which hedge a portion of the District's variable rate debt, the total average debt rate was 3.59%.

Payroll ACH payments totaled \$3,762,189 and wire transfers, all other ACH payments, and checks issued for debt service, accounts payable, payroll, water purchases, and voided checks for December totaled \$14,353,604.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

COMMITTEE STATUS:

All items in this report were not submitted to a Committee; the investment and debt reports are submitted to the Finance and Personnel Committee monthly.

RECOMMENDATION:

THAT THE BOARD RECEIVE AND FILE THE TREASURER'S INVESTMENT SUMMARY REPORT, THE SUMMARY OF FIXED AND VARIABLE RATE DEBT, AND THE DISCLOSURE REPORT OF REIMBURSEMENTS TO BOARD MEMBERS AND STAFF, APPROVE THE DECEMBER 2023 SUMMARY OF PAYROLL ACH PAYMENTS IN THE TOTAL AMOUNT OF \$3,762,189, AND APPROVE THE DECEMBER 2023 ACCOUNTS PAYABLE DISBURSEMENT SUMMARY OF WARRANTS 439830 THROUGH 440234, WORKERS' COMPENSATION DISTRIBUTIONS, ACH PAYMENTS, VIRTUAL CARD PAYMENTS, WIRE TRANSFERS, PAYROLL WITHHOLDING DISTRIBUTIONS, AND VOIDED CHECKS IN THE TOTAL AMOUNT OF \$14,353,604.

LIST OF EXHIBITS:

Exhibit "A" – Investment Summary Report

Exhibit "B" – Summary of Fixed and Variable Debt

Exhibit "C" – Monthly Interest Rate Swap Summary

Exhibit "D" – Monthly Summary of District Disbursements

Exhibit "E" – Monthly Payroll ACH Summary

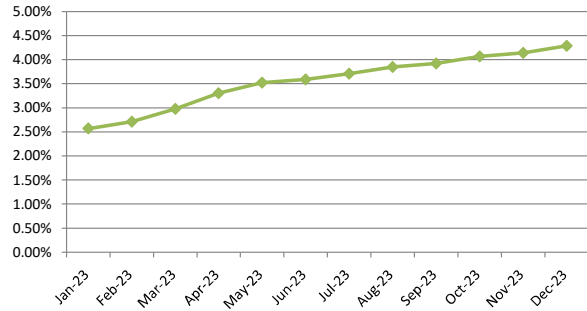
Exhibit "F" – Disclosure of Reimbursements to Board Members and Staff



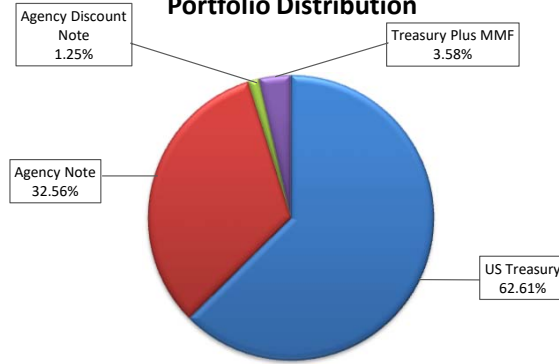
# Exhibit "A"

## Irvine Ranch Water District Investment Portfolio Summary December 2023

**Monthly Fixed Income Yield**



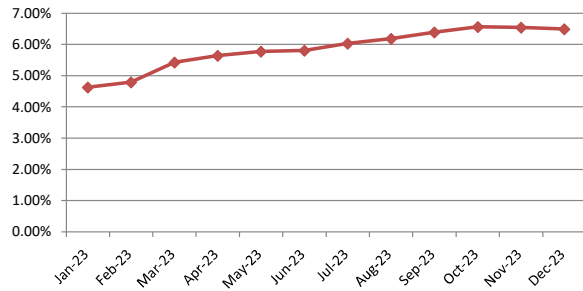
**Portfolio Distribution**



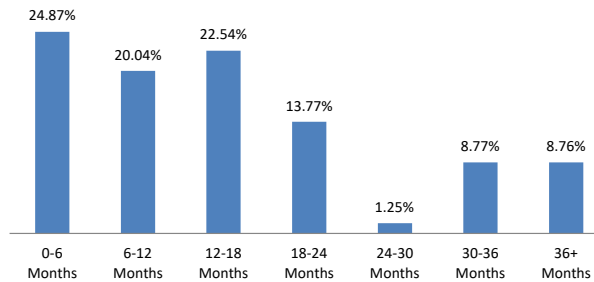
**Investment Summary**

Type	PAR	Book Value	Market Value
US Treasury	250,000,000	248,030,605	248,488,950
Agency Note	130,000,000	128,830,769	128,267,100
Treasury Plus MMF	14,300,863	14,300,863	14,300,863
Agency Discount	5,000,000	4,993,056	4,989,850
<b>Grand Total</b>	<b>399,300,863</b>	<b>396,155,294</b>	<b>396,046,763</b>

**Weighted Average Return Including Real Estate Portfolio**



**Maturity Distribution**



**Top Issuers**

Issuer	PAR	% Portfolio
US Treasury	250,000,000	62.61%
Fed Home Loan Bank	60,000,000	15.03%
Fed Farm Credit Bank	55,000,000	13.77%
Fed Home Loan Mortgage Corp	15,000,000	3.76%
Wells Fargo / Allspring	14,300,863	3.58%
Fed Natl Mortgage Assoc	5,000,000	1.25%
<b>Grand Total</b>	<b>399,300,863</b>	<b>100.00%</b>

IRVINE RANCH WATER DISTRICT  
INVESTMENT SUMMARY REPORT

12/31/23

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE <sup>(1)</sup> 12/31/2023	UNREALIZED <sup>(2)</sup> GAIN/(LOSS)
04/06/23			01/01/24		LAIF	State of California Tsy.	\$0.00		3.960%	\$0.00	\$0.00	0.00	0.00
12/31/23			01/01/24		Treasury Plus MMF	Wells Fargo / Allspring	14,300,863.21		5.240%	14,300,863.21	14,300,863.21	14,300,863.21	0.00
01/17/23	NA	NA	01/12/24	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	4.545%	4.771%	4,772,750.00	4,993,056.25	4,989,850.00	(3,206.25)
12/27/23	NA	NA	01/23/24	Aaa/NR/AAA	Treasury - Bill	US Treasury	10,000,000	5.258%	5.367%	9,960,563.50	9,967,866.56	9,969,300.00	1,433.44
11/14/23	NA	NA	01/30/24	Aaa/NR/AAA	Treasury - Bill	US Treasury	10,000,000	5.231%	5.378%	9,888,116.86	9,957,862.19	9,958,800.00	937.81
03/22/22	NA	NA	01/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	0.875%	2.013%	4,896,484.38	4,995,433.13	4,982,300.00	(13,133.13)
08/31/22	NA	NA	01/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.500%	3.445%	4,935,156.25	4,996,244.57	4,988,500.00	(7,744.57)
12/16/22	NA	NA	02/15/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.750%	4.531%	4,899,804.69	4,989,415.99	4,984,250.00	(5,165.99)
08/17/23	NA	NA	02/15/24	Aaa/NR/AAA	Treasury - Bill	US Treasury	10,000,000	5.260%	5.494%	9,734,077.78	9,934,250.00	9,935,900.00	1,650.00
03/22/22	NA	NA	02/29/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	1.500%	2.020%	4,950,781.25	4,995,904.22	4,969,650.00	(26,254.22)
03/10/22	NA	NA	03/08/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	1.875%	1.680%	10,038,080.00	10,003,499.81	9,935,600.00	(67,899.81)
04/21/22	NA	NA	04/30/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	2.000%	2.600%	9,882,421.88	9,980,933.28	9,895,300.00	(85,633.28)
05/31/22	NA	NA	05/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	2.500%	2.560%	9,988,281.25	9,997,579.30	9,888,300.00	(109,279.30)
08/17/22	NA	NA	06/14/24	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	3.125%	3.315%	4,983,200.00	4,995,844.08	4,955,000.00	(40,844.08)
12/16/22	NA	NA	06/14/24	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	4.875%	4.611%	5,018,300.00	5,005,530.22	4,992,300.00	(13,230.22)
12/01/22	NA	NA	07/02/24	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.750%	4.450%	4,795,376.45	4,935,326.24	4,916,600.00	(18,726.24)
08/17/22	NA	NA	07/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	3.000%	3.249%	4,976,562.50	4,993,040.97	4,941,000.00	(52,040.97)
11/30/23	NA	NA	07/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	1.750%	5.288%	9,770,312.50	9,800,435.45	9,811,300.00	10,864.55
08/31/22	NA	NA	08/26/24	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	3.375%	3.500%	4,988,050.00	4,996,082.51	4,951,400.00	(44,682.51)
S 09/09/22	One Time	11/28/2022	08/28/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	4.000%	3.950%	4,995,000.00	4,998,331.02	4,968,300.00	(30,031.02)
02/28/23	One Time	8/28/2023	08/28/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	5.250%	5.338%	4,993,750.00	4,997,257.77	5,009,550.00	12,292.23
08/31/22	NA	NA	09/13/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	3.250%	3.530%	4,972,750.00	5,012,837.03	4,938,250.00	(74,587.03)
09/30/22	NA	NA	09/13/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	3.250%	4.340%	4,898,930.00	4,963,762.02	4,938,250.00	(25,512.02)
09/30/22	NA	NA	09/26/24	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	4.250%	4.334%	4,992,100.00	4,997,076.89	4,972,750.00	(24,326.89)
10/17/22	NA	NA	10/17/24	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	4.375%	4.535%	9,969,800.00	9,988,019.15	9,951,400.00	(36,619.15)
10/31/22	NA	NA	11/15/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.250%	4.489%	4,783,984.38	4,907,628.71	4,888,100.00	(19,528.71)
12/22/22	NA	NA	11/18/24	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.875%	4.260%	4,693,316.75	4,858,318.50	4,827,650.00	(30,668.50)
10/31/22	NA	NA	12/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.250%	4.471%	4,773,046.88	4,895,406.71	4,876,950.00	(18,456.71)
10/31/22	NA	NA	12/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.250%	4.483%	4,771,875.00	4,894,866.64	4,876,950.00	(17,916.64)
10/31/22	NA	NA	01/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	1.125%	4.476%	4,651,562.50	4,835,927.82	4,817,000.00	(18,927.82)
10/31/22	NA	NA	01/31/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.500%	4.483%	4,789,843.75	4,901,041.67	4,883,000.00	(18,041.67)
11/30/23	NA	NA	01/31/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	2.500%	5.097%	9,708,593.75	9,730,381.13	9,766,000.00	35,618.87
02/13/23	NA	NA	02/13/25	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	5.020%	5.020%	5,000,000.00	5,000,000.00	4,997,400.00	(2,600.00)
02/07/23	NA	NA	02/14/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.750%	4.500%	4,737,350.00	4,854,083.33	4,847,950.00	(6,133.33)
12/30/22	NA	NA	02/28/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.750%	4.317%	4,839,453.13	4,913,942.01	4,893,350.00	(20,592.01)
02/07/23	NA	NA	03/14/25	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	4.250%	4.518%	4,973,050.00	4,984,589.95	4,976,500.00	(8,089.95)
12/30/22	NA	NA	03/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	1.750%	4.329%	4,731,250.00	4,853,621.28	4,832,250.00	(21,371.28)
04/12/23	NA	NA	03/31/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	20,000,000	3.875%	4.073%	19,925,781.25	19,953,032.64	19,826,600.00	(126,432.64)
12/22/22	NA	NA	04/01/25	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	4.200%	4.160%	5,004,550.00	5,002,496.75	4,977,600.00	(24,896.75)
12/08/22	Quarterly	02/12/2023	05/12/25	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Mortgage Corp	5,000,000	3.050%	4.427%	4,843,000.00	4,911,931.15	4,913,100.00	1,168.85
01/11/23	NA	NA	05/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.750%	4.148%	4,845,312.50	4,909,539.47	4,882,250.00	(27,289.47)
12/13/22	NA	NA	06/13/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	4.250%	4.340%	4,989,400.00	4,993,858.27	4,979,500.00	(14,358.27)
12/13/22	NA	NA	06/13/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	4.250%	4.352%	4,988,000.00	4,993,047.10	4,979,500.00	(13,547.10)
08/01/23	NA	NA	07/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	3.000%	4.917%	9,646,875.00	9,722,544.64	9,783,200.00	60,655.36

IRVINE RANCH WATER DISTRICT  
INVESTMENT SUMMARY REPORT

12/31/23

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE <sup>(1)</sup> 12/31/2023	UNREALIZED <sup>(2)</sup> GAIN/(LOSS)
04/24/23	NA	NA	07/24/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	10,000,000	4.250%	4.253%	10,000,000.00	10,000,000.00	9,965,600.00	(34,400.00)
04/21/23	NA	NA	09/23/25	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	10,000,000	0.375%	4.127%	9,143,400.00	9,389,938.37	9,335,200.00	(54,738.37)
12/01/22	NA	NA	10/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	4.250%	4.298%	4,993,359.38	4,995,866.23	4,991,600.00	(4,266.23)
12/01/23	NA	NA	11/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	2.250%	4.719%	9,543,750.00	9,563,531.47	9,633,600.00	70,068.53
12/01/22	Continuous after	9/12/2023	12/12/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	4.125%	4.694%	4,920,500.00	4,948,939.02	4,937,700.00	(11,239.02)
07/06/23	NA	NA	06/15/26	Aaa/AA+/AA+	Treasury - Note	US Treasury	15,000,000	4.125%	4.566%	14,819,531.25	14,849,581.40	15,001,800.00	152,218.60
09/27/23	NA	NA	09/15/26	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	4.625%	4.846%	9,939,453.13	9,944,815.21	10,143,400.00	198,584.79
11/03/23	NA	NA	10/15/26	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	4.625%	4.784%	9,956,640.63	9,959,015.93	10,153,100.00	194,084.07
12/28/23	NA	NA	12/15/26	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	4.375%	4.020%	10,098,046.88	10,097,684.75	10,102,300.00	4,615.25
11/28/23	NA	NA	10/31/28	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	4.875%	4.464%	10,217,187.50	10,176,291.52	10,448,400.00	272,108.48
12/15/23	NA	NA	11/30/28	Aaa/AA+/AA+	Treasury - Note	US Treasury	15,000,000	4.375%	3.897%	15,319,921.88	15,316,920.41	15,364,500.00	47,579.59
SUB-TOTAL							<u>\$399,300,863</u>			<u>\$393,249,548.04</u>	<u>\$396,155,293.91</u>	<u>\$396,046,763.21</u>	<u>(\$108,530.70)</u>

TOTAL INVESTMENTS

<u>\$399,300,863</u>	<u>\$393,249,548.04</u>	<u>\$396,155,293.91</u>	<u>\$396,046,763.21</u>	<u>(\$108,530.70)</u>
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Petty Cash				3,400.00
Ck Balance	Bank of America	ECR	1.77%	1,436,759.89
Ck Balance	Wells Fargo	ECR	2.00%	0.00 <sup>(5)</sup>
				<u>\$394,689,707.93</u>

<sup>(1)</sup> LAIF market value is as of the most recent quarter-end as reported by LAIF.  
Security market values are determined using Bank of New York ("Trading Prices"), Bloomberg and/or broker dealer pricing.

<sup>(2)</sup> Gain (loss) calculated against carry value using the trading value provided by Bank of New York/or Brokers

<sup>(3)</sup> Real estate rate of return is based on most recent quarter end return.

<sup>(4)</sup> Original Cost updated to reflect capital tenant improvements added for Fiscal Year 2023. of capital tenant improvements during FY 2023.

<sup>(5)</sup> Cash balance in this account are funds that are pending purchase into the current money market fund.

\*S - Step up

This Investment Summary Report is in conformity with the 2023 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures.

Outstanding Variable Rate Debt	\$214,800,000
Net Outstanding Variable Rate Debt (Less \$60 million fixed-payer swaps)	\$154,800,000
Investment Balance:	\$394,689,708
Investment to Variable Rate Debt Ratio:	255%
Portfolio - Average Number of Days To Maturity	473

	Investment Portfolio	Real Estate <sup>(3)(4)</sup> Portfolio	Weighted Avg. Return
December	4.29%	14.37%	6.49%
November	4.14%	14.70%	6.54%
Change	0.15%	-0.33%	-0.05%

IRVINE RANCH WATER DISTRICT  
SUMMARY OF MATURITIES

12/31/23

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Municipal Bonds	US Treasury	Investment Sweep
12/23	14,300,863	3.58%						14,300,863
1/24	35,000,000	8.77%			5,000,000		30,000,000	
2/24	20,000,000	5.01%					20,000,000	
3/24	10,000,000	2.50%		10,000,000				
4/24	10,000,000	2.50%					10,000,000	
5/24	10,000,000	2.50%					10,000,000	
6/24	10,000,000	2.50%		10,000,000				
7/24	20,000,000	5.01%		5,000,000			15,000,000	
8/24	15,000,000	3.76%		15,000,000				
9/24	15,000,000	3.76%		15,000,000				
10/24	10,000,000	2.50%		10,000,000				
11/24	10,000,000	2.50%		5,000,000			5,000,000	
SUB-TOTAL	\$179,300,863	44.90%		\$70,000,000	\$5,000,000		\$90,000,000	\$14,300,863

13 Months - 3 YEARS								
12/01/2024 - 02/28/2025	\$45,000,000	11.27%		10,000,000			35,000,000	
03/01/2025 - 05/31/2025	\$45,000,000	11.27%		15,000,000			30,000,000	
6/01/2025 - 08/31/2025	\$30,000,000	7.51%		20,000,000			10,000,000	
09/01/2025 - 11/30/2025	\$25,000,000	6.26%		10,000,000			15,000,000	
12/01/2025 - 02/28/2026	\$5,000,000	1.25%		5,000,000				
03/01/2026 - 05/31/2026								
06/01/2026 - 08/31/2026	\$15,000,000	3.76%					15,000,000	
09/01/2026 - 11/30/2026	\$20,000,000	5.01%					20,000,000	
12/01/2026 +	\$35,000,000	8.77%					35,000,000	
SUB-TOTAL	\$220,000,000	55.10%		\$60,000,000			\$160,000,000	
TOTALS	\$399,300,863	100.00%		\$130,000,000	\$5,000,000		\$250,000,000	\$14,300,863

% OF PORTFOLIO	32.56%	1.25%	62.61%	3.58%
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Irvine Ranch Water District  
Summary of Real Estate - Income Producing Investments  
12/31/2023

	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	MARKET VALUE 6/30/2023	ANNUALIZED RATE OF RETURN QUARTER ENDED 12/31/2023
Sycamore Canyon	Dec-92	Apartments	Fee Simple	\$ 45,457,369	\$ 178,606,250	23.23%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	\$ 6,000,000	\$ 36,246,127	8.61%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	\$ 5,568,747	\$ 12,484,800	8.08%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	\$ 8,983,395	\$ 12,068,640	8.04%
Sand Canyon Professional Center - Medical Office	Jul-12	Medical Office	Fee Simple	\$ 8,715,929	\$ 12,380,760	7.19%
Sand Canyon Professional Center - General Office <sup>(1)</sup>	Sep-20	Office Building	Fee Simple	\$ 31,404,103	\$ 40,559,820	7.57%
<b>Total - Income Properties</b>				<b>\$ 106,129,543</b>	<b>\$ 292,346,397</b>	<b>14.37%</b>

(1) Original Cost updated to reflect capital tenant improvements added for Fiscal Year 2023.

**IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT**  
**INVESTMENT ACTIVITY<sup>(1)</sup>**  
**Dec-23**

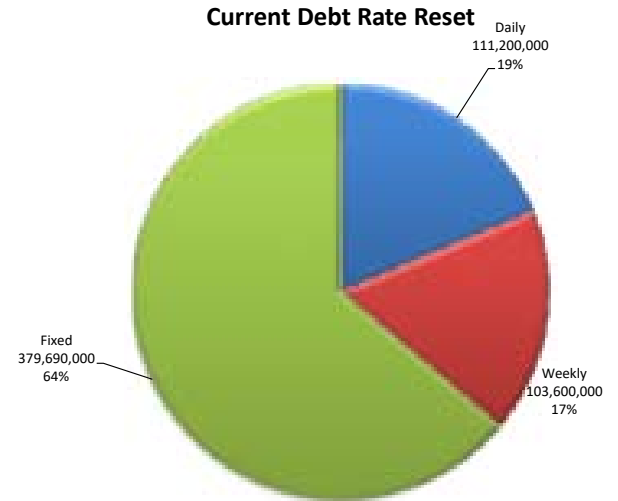
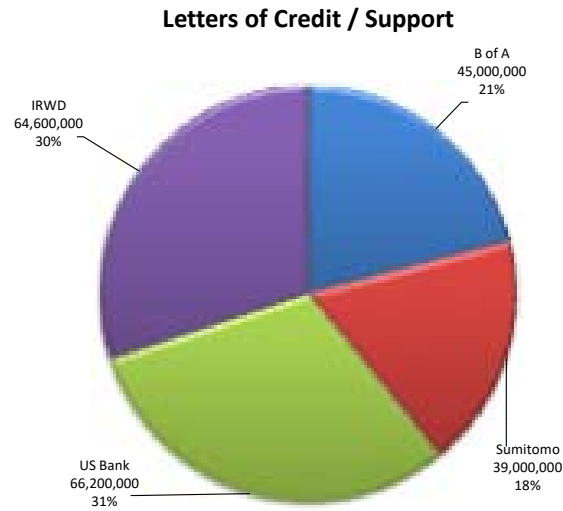
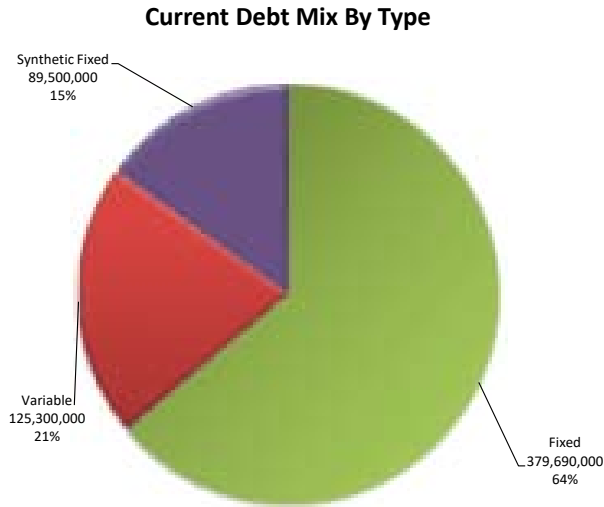
**MATURITIES/SALES/CALLS**

**PURCHASES**

DATE	SECURITY TYPE	PAR	YIELD	Settlement Date	Maturity Date	SECURITY TYPE	PAR	YIELD TO MATURITY
12/8/2023	FHLB - Note	\$5,000,000	3.58%	12/1/2023	11/15/2025	Treasury - Note	\$10,000,000	4.72%
12/15/2023	Treasury - Note	\$5,000,000	2.21%	12/15/2023	11/30/2028	Treasury - Note	\$15,000,000	3.90%
				12/27/2023	1/23/2024	Treasury - Bill	\$10,000,000	5.37%
				12/28/2023	12/15/2026	Treasury - Note	\$10,000,000	4.02%

(1) Italicized entries indicate securities that are scheduled but not yet matured, sold, called, or purchased. There may be additional investment purchases if there are pending maturities for the month.

Exhibit "B"  
**Irvine Ranch Water District**  
**Summary of Fixed and Variable Rate Debt**  
**December 2023**



**Outstanding Par by Series**

Series	Issue Date	Maturity Date	Remaining Principal	Percent	Letter of Credit/Support	Rmkt Agent	Mode	Reset
Series 1993	05/19/93	04/01/33	\$21,200,000	3.57%	US Bank	BAML	Variable	Daily
Series 2008-A Refunding	04/24/08	07/01/35	\$39,000,000	6.56%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	\$38,760,000	6.52%	IRWD	Goldman	Variable	Weekly
Series 2011-A-2 Refunding	04/15/11	10/01/37	\$25,840,000	4.35%	IRWD	Goldman	Variable	Weekly
Series 2009 - A	06/04/09	10/01/41	\$45,000,000	7.57%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	\$45,000,000	7.57%	B of A	Goldman	Variable	Daily
2016 COPS	09/01/16	03/01/46	\$105,710,000	17.78%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	\$175,000,000	29.44%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	\$98,980,000	16.65%	N/A	N/A	Fixed	Fixed
<b>Total</b>			<b>\$594,490,000</b>	<b>100.00%</b>				

**IRVINE RANCH WATER DISTRICT  
SUMMARY OF FIXED & VARIABLE RATE DEBT**

December-23

ITN		GENERAL BOND INFORMATION																	LETTER OF CREDIT INFORMATION										TRUSTEE INFORMATION				
Daily		VARIABLE RATE ISSUES																	Letter of Credit										Rmkt Agent				
Weekly		Issue Date	Maturity Date	Principal Payment Date	Payment Date	Original Par Amount	Remaining Principal	Letter of Credit	Reimbursement Agreement Date	L/C Exp. Date	MOODY'S	S&P	FITCH	LOC Stated Amount	LOC Fee	Annual LOC Cost	Rmkt Agent	Reset	Rmkt Fees	Annual Cost	Trustee												
		05/19/93	04/01/33	Apr 1	5th Bus. Day	\$38,300,000	\$21,200,000	US BANK	05/07/15	05/01/25	Aa3/VMIG1	AA-/A-1+	N/R	\$21,485,764	0.3000%	\$64,457	BAML	DAILY	0.10%	\$21,200	BANK OF NY												
		04/24/08	07/01/35	Jul 1	5th Bus. Day	\$60,215,000	\$39,000,000	SUMITOMO	04/01/11	05/28/25	A1/P-1	A/A-1	A/F1	\$39,576,986	0.3150%	\$124,668	BAML	WED	0.07%	\$27,300	BANK OF NY												
		04/15/11	10/01/37	Oct 1	1st Bus. Day	\$60,545,000	\$38,760,000	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Goldman	WED	0.13%	\$48,450	BANK OF NY												
		04/15/11	10/01/37	Oct 1	1st Bus. Day	\$40,370,000	\$25,840,000	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Goldman	WED	0.13%	\$32,300	BANK OF NY												
		06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$45,000,000	US BANK	04/01/11	05/01/25	Aa2/VMIG1	AA-/A-1+	AA/F1+	\$45,503,014	0.3000%	\$136,509	US Bank	DAILY	0.07%	\$31,500	US BANK												
		06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$45,000,000	B of A	04/01/11	04/21/25	Aa2/VMIG1	A/A-1	A1/F1+	\$45,503,014	0.2800%	\$127,408	Goldman	DAILY	0.10%	\$45,000	US BANK												
<b>\$349,430,000</b>							<b>\$214,800,000</b>	<b>SUB-TOTAL VARIABLE RATE DEBT</b>										<b>\$152,068,778</b>	<b>0.2979%</b>	<b>\$453,042</b>													
																	(Wt. Avg)					(Wt. Avg)											
FIXED RATE ISSUES																																	
		12/16/10	05/01/40	May (2025)	May/Nov	\$175,000,000	\$175,000,000	N/A	N/A	N/A	Aa1	AAA	NR	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK												
		09/01/16	03/01/46	Mar 1	Mar/Sept	\$116,745,000	\$105,710,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK												
		10/12/16	02/01/46	Feb 1	Feb/Aug	\$103,400,000	\$98,980,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BANK OF NY												
<b>\$395,145,000</b>							<b>\$379,690,000</b>	<b>SUB-TOTAL FIXED RATE DEBT</b>																									
<b>\$744,575,000</b>							<b>\$594,490,000</b>	<b>TOTAL - FIXED &amp; VARIABLE RATE DEBT</b>																									

Remarketing Agents			GO VS COP'S		
Goldman	109,600,000	51%	GO:	488,780,000	82%
BAML	60,200,000	28%	COPS:	105,710,000	18%
US Bank	45,000,000	21%	Total	<u>\$94,490,000</u>	
	<u>214,800,000</u>				

LOC Banks		Breakdown Between Variable & Fixed Rate Mode	
SUMITOMO	39,000,000	Daily Issues	111,200,000 19%
BANK OF AMERICA	45,000,000	Weekly Issues	39,000,000 7%
US BANK	66,200,000	ITN Issues	64,600,000 11%
	<u>150,200,000</u>	Sub-Total	<u>214,800,000</u>
		Fixed Rate Issues	\$379,690,000 64%
		Sub-Total - Fixed	<u>379,690,000</u>
		TOTAL DEBT	
		FIXED & VAR.	<u>\$94,490,000</u> 100%



SUMMARY OF DEBT RATES  
Dec-23

Rmkt Agent Mode	GOLDMAN DAILY	GOLDMAN WEEKLY	GOLDMAN WEEKLY	MERRILL LYNCH DAILY	MERRILL LYNCH WEEKLY	US BANK DAILY
Bond Issue	2009 - B	2011 A-1	2011 A-2	1993	2008-A	2009-A
Par Amount	45,000,000	38,760,000	25,840,000	21,200,000	39,000,000	45,000,000
LOC Bank Reset	BOFA	(SIFMA + 5) Wednesday	(SIFMA + 5) Wednesday	US BANK	Sumitomo Wednesday	US BANK
12/1/2023	1.70%	3.35%	3.35%	1.68%	1.98%	1.70%
12/2/2023	1.70%	3.35%	3.35%	1.68%	1.98%	1.70%
12/3/2023	1.70%	3.35%	3.35%	1.68%	1.98%	1.70%
12/4/2023	1.05%	3.35%	3.35%	1.38%	1.98%	1.40%
12/5/2023	0.90%	3.35%	3.35%	1.23%	1.98%	1.15%
12/6/2023	0.82%	3.35%	3.35%	1.13%	1.98%	1.05%
12/7/2023	1.15%	3.03%	3.03%	1.18%	1.88%	1.05%
12/8/2023	1.50%	3.03%	3.03%	1.25%	1.88%	1.35%
12/9/2023	1.50%	3.03%	3.03%	1.25%	1.88%	1.35%
12/10/2023	1.50%	3.03%	3.03%	1.25%	1.88%	1.35%
12/11/2023	1.55%	3.03%	3.03%	1.55%	1.88%	1.55%
12/12/2023	1.90%	3.03%	3.03%	1.85%	1.88%	1.80%
12/13/2023	2.40%	3.03%	3.03%	2.20%	1.88%	2.25%
12/14/2023	2.95%	3.43%	3.43%	3.20%	2.51%	3.00%
12/15/2023	3.62%	3.43%	3.43%	4.40%	2.51%	3.60%
12/16/2023	3.62%	3.43%	3.43%	4.40%	2.51%	3.60%
12/17/2023	3.62%	3.43%	3.43%	4.40%	2.51%	3.60%
12/18/2023	3.95%	3.43%	3.43%	4.40%	2.51%	4.20%
12/19/2023	3.80%	3.43%	3.43%	4.70%	2.51%	4.20%
12/20/2023	3.80%	3.43%	3.43%	3.90%	2.51%	4.10%
12/21/2023	3.75%	4.57%	4.57%	3.55%	3.66%	4.00%
12/22/2023	3.70%	4.57%	4.57%	3.55%	3.66%	3.90%
12/23/2023	3.70%	4.57%	4.57%	3.55%	3.66%	3.90%
12/24/2023	3.70%	4.57%	4.57%	3.55%	3.66%	3.90%
12/25/2023	3.70%	4.57%	4.57%	3.55%	3.66%	3.90%
12/26/2023	3.55%	4.57%	4.57%	3.40%	3.66%	3.80%
12/27/2023	3.49%	4.57%	4.57%	3.65%	3.66%	3.80%
12/28/2023	3.39%	3.92%	3.92%	3.67%	2.51%	3.60%
12/29/2023	3.29%	3.92%	3.92%	3.57%	2.51%	3.40%
12/30/2023	3.29%	3.92%	3.92%	3.57%	2.51%	3.40%
12/31/2023	3.29%	3.92%	3.92%	3.57%	2.51%	3.40%
Avg Interest Rates	2.70%	3.64%	3.64%	2.84%	2.52%	2.80%
Rmkt Fee	0.10%	0.13%	0.13%	0.10%	0.07%	0.07%
LOC Fee	0.28%			0.30%	0.32%	0.30%
<b>All-In Rate</b>	<b>3.08%</b>	<b>3.77%</b>	<b>3.77%</b>	<b>3.24%</b>	<b>2.91%</b>	<b>3.17%</b>
Par Amount	83,760,000		25,840,000	60,200,000		45,000,000

Interest Rate Mode	Percent of Total Variable Rate Debt	Par Outstanding	Weighted All-In Average Rate	Base Rate Average
Daily	51.77%	111,200,000	3.14%	2.76%
Weekly	48.23%	103,600,000	3.45%	3.22%
	100.00%	<b>\$214,800,000</b>	3.29%	2.99%
<b>Fixed</b>				
COPS 2016	27.84%	105,710,000	2.90%	
BABS 2010	46.09%	175,000,000	4.44%	(1)
SERIES 2016	26.07%	98,980,000	3.32%	
	100.00%	<b>\$379,690,000</b>	3.72%	
<b>All-In Debt Rate Including \$60 Million Notional Amount of Swaps</b>				<b>3.59%</b>

(1) Rate adjusted up from 4.35% as a result of sequestration reducing BAB's subsidy by 5.7%

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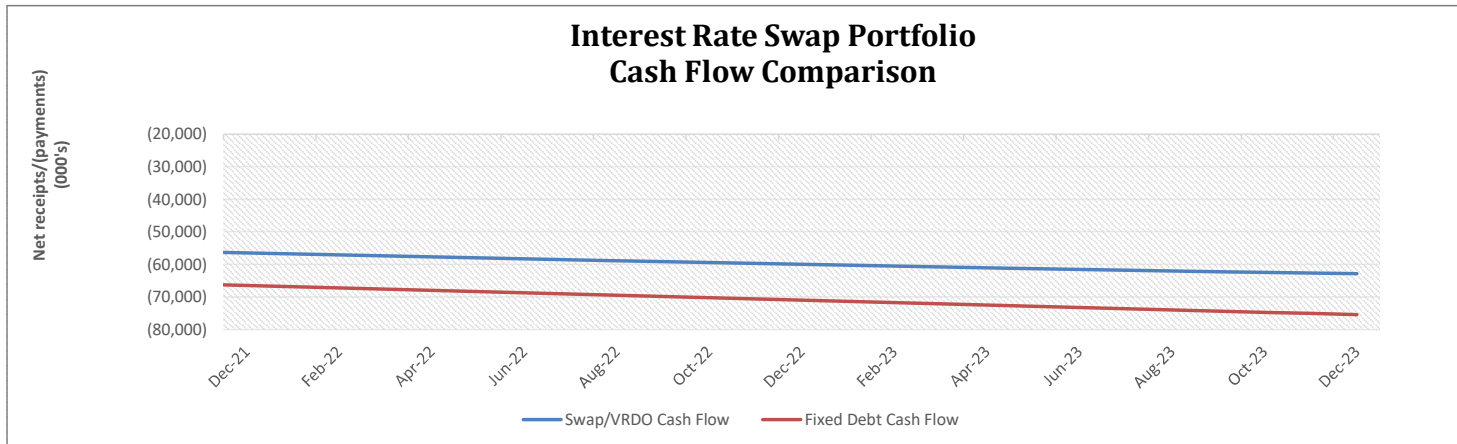
Exhibit "C"  
**Irvine Ranch Water District**  
**Interest Rate Swap Summary**  
**December 2023**

	Prior Mo.	Current Mo.	12-Mo Avg
LIBOR Fibk Avg %	5.45%	5.47%	5.13%

Current Fiscal Year Active Swaps								Cash Flow				(Since 3/07)	Mark to Market	
Effective Date	Maturity Date	Years to Maturity	Counter Party	Notional Amt	Type	Base Index	Fixed Rate	Prior Month	Current Month	Fiscal YTD	Cumulative Net Accrual	Current Mark to Market	Notional Difference	
<b>Fixed Payer Swaps - By Effective Date</b>														
3/10/2007	3/10/2029	5.2	ML	30,000,000	FXP	LIBOR	5.687%	(6,115)	(5,719)	(38,346)	(21,961,316)	27,080,228	(2,919,772)	
3/10/2007	3/10/2029	5.2	CG	30,000,000	FXP	LIBOR	5.687%	(6,115)	(5,719)	(38,139)	(21,961,109)	27,086,183	(2,913,817)	
<b>Totals/Weighted Avgs</b>							5.687%	\$ (12,230)	\$ (11,438)	\$ (76,485)	\$ (43,922,424)	\$ 54,166,411	\$ (5,833,589)	
<b>Total Current Year Active Swaps</b>				\$ 60,000,000				\$ (12,230)	\$ (11,438)	\$ (76,485)	\$ (43,922,424)	\$ 54,166,411	\$ (5,833,589)	

Current Fiscal Year Terminated Swaps								Cash Flow				Mark to Market	
Effective Date	Maturity Date		Counter Party	Notional Amt	Type	Base Index	Fixed Rate	Prior Month	Current Month	Fiscal YTD	Cumulative Net Accrual	Current Mark to Market	Notional Difference
<b>Total Current Year Terminated Swaps</b>								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Current Fiscal Year - Total Swaps								Cash Flow				Mark to Market	
Effective Date	Maturity Date		Counter Party	Notional Amt	Type	Base Index	Fixed Rate	Prior Month	Current Month	Fiscal YTD	Cumulative Net Accrual	Current Mark to Market	Notional Difference
<b>Total Current Year Active &amp; Terminated Swaps</b>								\$ (12,230)	\$ (11,438)	\$ (76,485)	\$ (43,922,424)	\$ 54,166,411	\$ (5,833,589)



Cash Flow Comparison Synthetic Fixed vs. Fixed Rate Debt	
Cash Flow to Date	
Synthetic Fixed =	\$62,899,565
Fixed Rate =	\$75,446,169
<b>Assumptions:</b>	
- Fixed rate debt issued at 4.93% in Mar-07	
(estimated TE rate - Bloomberg)	
- 'Synthetic' includes swap cash flow + interest + fees to date	

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## Exhibit "D"

IRVINE RANCH WATER DISTRICT  
AP DISBURSEMENTS AND VOIDS FOR DECEMBER 2023

CHECK OR ELECTRONIC #	PAYMENT DATE	SUPPLIERS	PAYMENT AMOUNT	PAYMENT METHOD	STATUS
439830	1-Dec-23	CITY OF SANTA ANA	4,726.91	IRWD Wells Fargo Check No Print	Reconciled
439831	1-Dec-23	CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION	2,214.00	IRWD Wells Fargo Check	Reconciled
439832	1-Dec-23	ET PRODUCTIONS	16,454.86	IRWD Wells Fargo Check	Cleared
439833	5-Dec-23	MONROY, JONNATHAN	71.05	IRWD Wells Fargo Check	Negotiable
439834	5-Dec-23	MONROY, JONNATHAN	97.01	IRWD Wells Fargo Check	Negotiable
439835	5-Dec-23	KINGS COUNTY TAX COLLECTOR	26,698.58	IRWD Wells Fargo Check	Reconciled
439836	5-Dec-23	KERN COUNTY TREASURER TAX COLLECTOR	2,396.41	IRWD Wells Fargo Check	Reconciled
439837	5-Dec-23	KERN COUNTY TREASURER TAX COLLECTOR	83,334.76	IRWD Wells Fargo Check	Cleared
439838	5-Dec-23	COUNTY OF RIVERSIDE	580,176.64	IRWD Wells Fargo Check	Reconciled
439839	7-Dec-23	11:11 SYSTEMS INC.	4,775.80	IRWD Wells Fargo Check No Print	Reconciled
439840	7-Dec-23	8X8 INC	22,531.68	IRWD Wells Fargo Check No Print	Reconciled
439841	7-Dec-23	A&A WIPING CLOTH CO	1,939.50	IRWD Wells Fargo Check No Print	Reconciled
439842	7-Dec-23	A&Y ASPHALT CONTRACTORS, INC.	59,977.00	IRWD Wells Fargo Check No Print	Reconciled
439844	7-Dec-23	APCO GRAPHICS INC	291.80	IRWD Wells Fargo Check No Print	Reconciled
439845	7-Dec-23	AQUATIC INFORMATICS INC.	8,625.00	IRWD Wells Fargo Check No Print	Reconciled
439846	7-Dec-23	AT&T CORP	4,570.82	IRWD Wells Fargo Check No Print	Reconciled
439847	7-Dec-23	AT&T CORP	165.13	IRWD Wells Fargo Check No Print	Reconciled
439848	7-Dec-23	AT&T CORP	6,657.00	IRWD Wells Fargo Check No Print	Reconciled
439849	7-Dec-23	AUTOZONE PARTS, INC.	289.02	IRWD Wells Fargo Check No Print	Reconciled
439850	7-Dec-23	BARRETT, RICHARD	3,661.29	IRWD Wells Fargo Check No Print	Reconciled
439851	7-Dec-23	BEST DRILLING AND PUMP, INC.	38,950.00	IRWD Wells Fargo Check No Print	Reconciled
439852	7-Dec-23	BLAIRS TOWING INC	298.00	IRWD Wells Fargo Check No Print	Reconciled
439853	7-Dec-23	BRUCE HADLEY NEWELL	1,250.00	IRWD Wells Fargo Check No Print	Reconciled
439854	7-Dec-23	BURNHAM BENEFITS INSURANCE SERVICES, LLC	5,833.33	IRWD Wells Fargo Check No Print	Reconciled
439855	7-Dec-23	C WELLS PIPELINE MATERIALS INC	8,000.44	IRWD Wells Fargo Check No Print	Reconciled
439856	7-Dec-23	CALIFORNIA COUNCIL FOR ENVIRONMENTAL AND ECONOMIC BALANCE	66,500.00	IRWD Wells Fargo Check No Print	Reconciled
439857	7-Dec-23	CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION	1,428.11	IRWD Wells Fargo Check No Print	Reconciled
439858	7-Dec-23	CANON FINANCIAL SERVICES, INC.	154.75	IRWD Wells Fargo Check No Print	Reconciled
439859	7-Dec-23	CANON SOLUTIONS AMERICA, INC	19.26	IRWD Wells Fargo Check No Print	Reconciled
439860	7-Dec-23	CHEM TECH INTERNATIONAL INC	11,099.74	IRWD Wells Fargo Check No Print	Reconciled
439861	7-Dec-23	CITY OF SANTA ANA	3,955.10	IRWD Wells Fargo Check No Print	Reconciled
439862	7-Dec-23	CITY OF TUSTIN	309.56	IRWD Wells Fargo Check No Print	Reconciled
439863	7-Dec-23	CLEAN ENERGY	8,757.85	IRWD Wells Fargo Check No Print	Reconciled
439864	7-Dec-23	COUNTY OF ORANGE	1,528.00	IRWD Wells Fargo Check No Print	Reconciled
439865	7-Dec-23	COX COMMUNICATIONS, INC.	283.95	IRWD Wells Fargo Check No Print	Reconciled
439866	7-Dec-23	DELL MARKETING LP	5,487.82	IRWD Wells Fargo Check No Print	Reconciled
439867	7-Dec-23	DG INVESTMENT INTERMEDIATE HOLDINGS 2, INC.	9,362.00	IRWD Wells Fargo Check No Print	Reconciled
439868	7-Dec-23	DLT SOLUTIONS LLC	5,107.96	IRWD Wells Fargo Check No Print	Reconciled
439869	7-Dec-23	EDDIE CHEN AND LEI ZHANG	75.65	IRWD Wells Fargo Check No Print	Negotiable
439870	7-Dec-23	FARRELL & ASSOCIATES	109.33	IRWD Wells Fargo Check No Print	Reconciled
439871	7-Dec-23	FEDEX	98.07	IRWD Wells Fargo Check No Print	Reconciled
439872	7-Dec-23	FIERRO, SERGIO D	4,662.00	IRWD Wells Fargo Check No Print	Reconciled
439873	7-Dec-23	FIRE EXTINGUISHING SAFETY & SERVICE	730.87	IRWD Wells Fargo Check No Print	Reconciled
439874	7-Dec-23	FRONTIER CALIFORNIA INC.	300.02	IRWD Wells Fargo Check No Print	Reconciled
439875	7-Dec-23	FUTURE INDUSTRIAL TECHNOLOGY, INC.	8,555.20	IRWD Wells Fargo Check No Print	Reconciled
439876	7-Dec-23	GARY BALE REDI-MIX CONCRETE, INC.	683.14	IRWD Wells Fargo Check No Print	Reconciled
439877	7-Dec-23	GARZA INDUSTRIES, INC	1,876.65	IRWD Wells Fargo Check No Print	Reconciled
439878	7-Dec-23	GAYDOS, TERRI	591.54	IRWD Wells Fargo Check No Print	Reconciled
439879	7-Dec-23	GRAINGER	5,881.66	IRWD Wells Fargo Check No Print	Reconciled
439880	7-Dec-23	HACH COMPANY	158.05	IRWD Wells Fargo Check No Print	Reconciled
439881	7-Dec-23	HARVARD COURT APARTMENTS	544.74	IRWD Wells Fargo Check No Print	Negotiable
439882	7-Dec-23	HEALTH SCIENCE ASSOCIATES, INC.	5,757.10	IRWD Wells Fargo Check No Print	Reconciled
439883	7-Dec-23	HEARST COMMUNICATIONS, INC.	30,000.00	IRWD Wells Fargo Check No Print	Reconciled
439884	7-Dec-23	HI-LINE INC	495.92	IRWD Wells Fargo Check No Print	Reconciled
439885	7-Dec-23	HILLCREST CONTRACTING, INC.	1,479.96	IRWD Wells Fargo Check No Print	Reconciled
439886	7-Dec-23	HISPANIC CHAMBER OF COMMERCE OF ORANGE COUNTY	1,500.00	IRWD Wells Fargo Check No Print	Reconciled
439887	7-Dec-23	HOME DEPOT USA INC	2,759.61	IRWD Wells Fargo Check No Print	Reconciled
439888	7-Dec-23	HOME DEPOT USA INC	4,334.56	IRWD Wells Fargo Check No Print	Reconciled
439889	7-Dec-23	INTEGRITY MUNICIPAL SERVICES LLC	7,460.00	IRWD Wells Fargo Check No Print	Reconciled
439890	7-Dec-23	IRON MOUNTAIN INFORMATION MANAGEMENT INC	940.36	IRWD Wells Fargo Check No Print	Reconciled
439891	7-Dec-23	JL GROUP, LLC	7,662.06	IRWD Wells Fargo Check No Print	Reconciled
439892	7-Dec-23	JOSE MARTINEZ TREE SERVICE INC.	1,200.00	IRWD Wells Fargo Check No Print	Reconciled
439893	7-Dec-23	KB HOMES	530.37	IRWD Wells Fargo Check No Print	Reconciled
439894	7-Dec-23	LANA BECKETT	697.00	IRWD Wells Fargo Check No Print	Reconciled
439895	7-Dec-23	LANDSEA HOMES	982.54	IRWD Wells Fargo Check No Print	Reconciled
439896	7-Dec-23	LENNAR HOMES OF CALIFORNIA, INC.	125.85	IRWD Wells Fargo Check No Print	Reconciled
439897	7-Dec-23	LINDE GAS & EQUIPMENT INC.	1,626.86	IRWD Wells Fargo Check No Print	Reconciled
439898	7-Dec-23	MAP COMMUNICATIONS, INC.	1,065.65	IRWD Wells Fargo Check No Print	Reconciled
439899	7-Dec-23	MC FADDEN-DALE INDUSTRIAL	773.82	IRWD Wells Fargo Check No Print	Reconciled
439900	7-Dec-23	MC MASTER CARR SUPPLY CO	713.35	IRWD Wells Fargo Check No Print	Reconciled
439901	7-Dec-23	MISCOWATER	9,578.68	IRWD Wells Fargo Check No Print	Reconciled
439902	7-Dec-23	MORSCO SUPPLY, LLC	2,022.40	IRWD Wells Fargo Check No Print	Reconciled
439903	7-Dec-23	MSC INDUSTRIAL SUPPLY CO	5,161.19	IRWD Wells Fargo Check No Print	Reconciled
439904	7-Dec-23	NAKHUDA, SAULAHA	212.19	IRWD Wells Fargo Check No Print	Negotiable
439905	7-Dec-23	NATIONAL OILWELL VARCO, L.P.	5,931.42	IRWD Wells Fargo Check No Print	Reconciled

**IRVINE RANCH WATER DISTRICT  
AP DISBURSEMENTS AND VOIDS FOR DECEMBER 2023**

CHECK OR ELECTRONIC #	PAYMENT DATE	SUPPLIERS	PAYMENT AMOUNT	PAYMENT METHOD	STATUS
439906	7-Dec-23	NATIONAL READY MIXED CONCRETE SALES, LLC	1,258.99	IRWD Wells Fargo Check No Print	Reconciled
439907	7-Dec-23	NINYO & MOORE	11,371.00	IRWD Wells Fargo Check No Print	Reconciled
439908	7-Dec-23	NMG GEOTECHNICAL INC	4,420.00	IRWD Wells Fargo Check No Print	Reconciled
439909	7-Dec-23	ONESOURCE DISTRIBUTORS LLC	9,817.85	IRWD Wells Fargo Check No Print	Reconciled
439910	7-Dec-23	OSTS, INC	2,650.00	IRWD Wells Fargo Check No Print	Reconciled
439911	7-Dec-23	PACIFIC STAR CHEMICAL, LLC	3,968.09	IRWD Wells Fargo Check No Print	Reconciled
439912	7-Dec-23	PARADA PAINTING INC	5,700.00	IRWD Wells Fargo Check No Print	Reconciled
439913	7-Dec-23	RANCHO MADERAS APTS	262.99	IRWD Wells Fargo Check No Print	Negotiable
439914	7-Dec-23	REFRIGERATION SUPPLIES DISTRIBUTOR	772.24	IRWD Wells Fargo Check No Print	Reconciled
439915	7-Dec-23	ROBERT HALF INC.	6,095.21	IRWD Wells Fargo Check No Print	Reconciled
439916	7-Dec-23	ROSEMOUNT INC.	495.49	IRWD Wells Fargo Check No Print	Reconciled
439917	7-Dec-23	SAAVEDRA ROBERT	1,250.00	IRWD Wells Fargo Check No Print	Reconciled
439918	7-Dec-23	SAFETY-KLEEN SYSTEMS, INC	343.00	IRWD Wells Fargo Check No Print	Reconciled
439919	7-Dec-23	SANJAY AND NISHA GOVIND	31.32	IRWD Wells Fargo Check No Print	Negotiable
439920	7-Dec-23	SANTA MARGARITA FORD	668.05	IRWD Wells Fargo Check No Print	Reconciled
439921	7-Dec-23	SCA OF CA, LLC	1,420.00	IRWD Wells Fargo Check No Print	Reconciled
439922	7-Dec-23	SCHINDLER ELEVATOR CORPORATION	613.80	IRWD Wells Fargo Check No Print	Reconciled
439923	7-Dec-23	SERRANO WATER DISTRICT	15,022.35	IRWD Wells Fargo Check No Print	Reconciled
439924	7-Dec-23	SHAMROCK SUPPLY CO INC	548.95	IRWD Wells Fargo Check No Print	Reconciled
439925	7-Dec-23	SHOETERIA	243.77	IRWD Wells Fargo Check No Print	Reconciled
439926	7-Dec-23	SIMONIAN, KENNETH	163.97	IRWD Wells Fargo Check No Print	Negotiable
439927	7-Dec-23	SITMATIC	469.70	IRWD Wells Fargo Check No Print	Reconciled
439928	7-Dec-23	SMOG TIME	73.25	IRWD Wells Fargo Check No Print	Reconciled
439929	7-Dec-23	SOUTH COAST WATER CO.	95.00	IRWD Wells Fargo Check No Print	Reconciled
439930	7-Dec-23	SOUTHERN CALIFORNIA EDISON COMPANY	177,178.03	IRWD Wells Fargo Check No Print	Reconciled
439931	7-Dec-23	SPARKLETTS	245.50	IRWD Wells Fargo Check No Print	Reconciled
439932	7-Dec-23	SS MECHANICAL CONSTRUCTION CORP	28,375.00	IRWD Wells Fargo Check No Print	Negotiable
439933	7-Dec-23	STANFORD COURT APARTMENTS	100.13	IRWD Wells Fargo Check No Print	Negotiable
439934	7-Dec-23	STANTEC CONSULTING SERVICES INC.	8,825.00	IRWD Wells Fargo Check No Print	Reconciled
439935	7-Dec-23	STATE WATER RESOURCES CONTROL BOARD	130,890.40	IRWD Wells Fargo Check No Print	Reconciled
439936	7-Dec-23	SUZANNA CHOI	5,000.00	IRWD Wells Fargo Check No Print	Reconciled
439937	7-Dec-23	SYNAGRO-WWT, INC.	95,028.77	IRWD Wells Fargo Check No Print	Reconciled
439938	7-Dec-23	TANKVISIONS, INC	30.00	IRWD Wells Fargo Check No Print	Reconciled
439940	7-Dec-23	TIC-OFFICE PROPERTIES	251.07	IRWD Wells Fargo Check No Print	Negotiable
439941	7-Dec-23	TIC-RESORT PROPERTIES	66.17	IRWD Wells Fargo Check No Print	Negotiable
439942	7-Dec-23	TIC-RETAIL PROPERTIES	50.15	IRWD Wells Fargo Check No Print	Negotiable
439943	7-Dec-23	TIC-SPECTRUM OFFICE	63.41	IRWD Wells Fargo Check No Print	Negotiable
439944	7-Dec-23	TOLL BROS., INC.	86.42	IRWD Wells Fargo Check No Print	Reconciled
439945	7-Dec-23	TOM'S TRUCK CENTER NORTH COUNTY, LLC	325.93	IRWD Wells Fargo Check No Print	Reconciled
439946	7-Dec-23	TRI COUNTY PUMP COMPANY	11,960.00	IRWD Wells Fargo Check No Print	Reconciled
439947	7-Dec-23	TURTLE ROCK CANYON APTS	2,539.53	IRWD Wells Fargo Check No Print	Negotiable
439948	7-Dec-23	UNITED PARCEL SERVICE INC	142.96	IRWD Wells Fargo Check No Print	Reconciled
439949	7-Dec-23	US BANK NAT'L ASSOCIATION NORTH DAKOTA	71,813.91	IRWD Wells Fargo Check No Print	Cleared
439951	7-Dec-23	VERIZON WIRELESS SERVICES LLC	5,730.13	IRWD Wells Fargo Check No Print	Reconciled
439952	7-Dec-23	VWR INTERNATIONAL, LLC	428.80	IRWD Wells Fargo Check No Print	Reconciled
439953	7-Dec-23	WASTE MANAGEMENT COLLECTIONS AND RECYCLING, INC.	6,733.21	IRWD Wells Fargo Check No Print	Reconciled
439954	7-Dec-23	WAXIE'S ENTERPRISES, INC	437.87	IRWD Wells Fargo Check No Print	Reconciled
439955	7-Dec-23	WESTAIR GASES & EQUIPMENT, INC.	42.00	IRWD Wells Fargo Check No Print	Reconciled
439956	7-Dec-23	WESTERN OILFIELDS SUPPLY COMPANY	4,710.52	IRWD Wells Fargo Check No Print	Reconciled
439957	7-Dec-23	WONG, ALICE	63.48	IRWD Wells Fargo Check No Print	Reconciled
439958	7-Dec-23	WOODBRIIDGE PINES APTS	54,373.55	IRWD Wells Fargo Check No Print	Negotiable
439959	7-Dec-23	YANG, CHUN	37.29	IRWD Wells Fargo Check No Print	Reconciled
439960	7-Dec-23	YU, RAYMOND	32.91	IRWD Wells Fargo Check No Print	Reconciled
439961	7-Dec-23	ZHOU, JENNY JIANMIN	1,716.00	IRWD Wells Fargo Check No Print	Negotiable
439962	7-Dec-23	DUDLEY RIDGE WATER DISTRICT	132,954.24	IRWD Wells Fargo Check	Reconciled
439963	7-Dec-23	FRANCHISE TAX BOARD	92.00	IRWD Wells Fargo Check	Reconciled
439964	7-Dec-23	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 47	6,109.10	IRWD Wells Fargo Check	Reconciled
439965	7-Dec-23	PALO VERDE IRRIGATION DISTRICT	27,672.48	IRWD Wells Fargo Check	Reconciled
439966	7-Dec-23	PERS LONG TERM CARE	661.00	IRWD Wells Fargo Check	Reconciled
439967	11-Dec-23	STATE OF CALIFORNIA, DEPARTMENT OF WATER RESOURCES	701,000.00	IRWD Wells Fargo Check	Reconciled
439968	14-Dec-23	SOUTHERN CALIFORNIA EDISON COMPANY	4.96	IRWD Wells Fargo Check No Print	Reconciled
439969	14-Dec-23	SOUTHERN CALIFORNIA EDISON COMPANY	32.93	IRWD Wells Fargo Check No Print	Reconciled
439970	14-Dec-23	SOUTHERN CALIFORNIA EDISON COMPANY	5.55	IRWD Wells Fargo Check No Print	Reconciled
439971	14-Dec-23	SOUTHERN CALIFORNIA EDISON COMPANY	24.85	IRWD Wells Fargo Check No Print	Reconciled
439972	14-Dec-23	JAMES PRODUCTIONS, INC.	8,556.00	IRWD Wells Fargo Check	Reconciled
439973	14-Dec-23	ADS CORP.	2,700.00	IRWD Wells Fargo Check No Print	Reconciled
439974	14-Dec-23	AJIT LLC	1,005.54	IRWD Wells Fargo Check No Print	Reconciled
439975	14-Dec-23	ANDRITZ SEPARATION, INC.	14,825.95	IRWD Wells Fargo Check No Print	Cleared
439976	14-Dec-23	APCO GRAPHICS INC	297.12	IRWD Wells Fargo Check No Print	Reconciled
439977	14-Dec-23	AQUA-METRIC SALES COMPANY	7,859.28	IRWD Wells Fargo Check No Print	Reconciled
439978	14-Dec-23	ARMORCAST PRODUCTS COMPANY	1,503.25	IRWD Wells Fargo Check No Print	Reconciled
439979	14-Dec-23	AT&T CORP	1,564.65	IRWD Wells Fargo Check No Print	Reconciled
439980	14-Dec-23	AT&T CORP	1,044.90	IRWD Wells Fargo Check No Print	Reconciled
439981	14-Dec-23	AT&T CORP	148.43	IRWD Wells Fargo Check No Print	Reconciled
439982	14-Dec-23	ATHENS SERVICES	11,359.01	IRWD Wells Fargo Check No Print	Reconciled

**IRVINE RANCH WATER DISTRICT  
AP DISBURSEMENTS AND VOIDS FOR DECEMBER 2023**

CHECK OR ELECTRONIC #	PAYMENT DATE	SUPPLIERS	PAYMENT AMOUNT	PAYMENT METHOD	STATUS
439983	14-Dec-23	AUTOZONE PARTS, INC.	1,778.72	IRWD Wells Fargo Check No Print	Reconciled
439984	14-Dec-23	BACH REAL ESTATE	2,117.57	IRWD Wells Fargo Check No Print	Reconciled
439985	14-Dec-23	BOY SCOUTS OF AMERICA	6,923.83	IRWD Wells Fargo Check No Print	Reconciled
439986	14-Dec-23	BRINKMANN INSTRUMENTS, INC.	5,480.46	IRWD Wells Fargo Check No Print	Reconciled
439987	14-Dec-23	C WELLS PIPELINE MATERIALS INC	20,542.73	IRWD Wells Fargo Check No Print	Reconciled
439988	14-Dec-23	CHEM SERVICE INC.	160.80	IRWD Wells Fargo Check No Print	Reconciled
439989	14-Dec-23	CHEM TECH INTERNATIONAL INC	6,963.48	IRWD Wells Fargo Check No Print	Reconciled
439990	14-Dec-23	CHO DESIGN ASSOCIATES, INC	3,600.00	IRWD Wells Fargo Check No Print	Reconciled
439991	14-Dec-23	CITY SERVICE CONTRACTING INC	1,711.02	IRWD Wells Fargo Check No Print	Negotiable
439992	14-Dec-23	CORELOGIC INC	38.40	IRWD Wells Fargo Check No Print	Reconciled
439993	14-Dec-23	CR & R INCORPORATED	521.65	IRWD Wells Fargo Check No Print	Reconciled
439994	14-Dec-23	CURATIVE I.T. LLC	821.28	IRWD Wells Fargo Check No Print	Reconciled
439995	14-Dec-23	DAMATO ASSOCIATES INC	1,421.75	IRWD Wells Fargo Check No Print	Reconciled
439996	14-Dec-23	DG INVESTMENT INTERMEDIATE HOLDINGS 2, INC.	436.00	IRWD Wells Fargo Check No Print	Reconciled
439997	14-Dec-23	DOWNSTREAM SERVICES, INC.	6,565.00	IRWD Wells Fargo Check No Print	Cleared
439998	14-Dec-23	ENVIRONMENTAL EXPRESS INC	1,871.55	IRWD Wells Fargo Check No Print	Reconciled
439999	14-Dec-23	ENVIRONMENTAL SCIENCE ASSOCIATES	29,347.63	IRWD Wells Fargo Check No Print	Reconciled
440000	14-Dec-23	EUROFINS EATON ANALYTICAL, INC.	1,575.00	IRWD Wells Fargo Check No Print	Reconciled
440001	14-Dec-23	EXECUTIVE LIGHTING & ELECTRIC	529.48	IRWD Wells Fargo Check No Print	Reconciled
440002	14-Dec-23	FARIDNIA, REZA	11.59	IRWD Wells Fargo Check No Print	Reconciled
440003	14-Dec-23	FISHER SCIENTIFIC COMPANY LLC	4,990.49	IRWD Wells Fargo Check No Print	Reconciled
440004	14-Dec-23	FLW, INC.	2,563.52	IRWD Wells Fargo Check No Print	Reconciled
440005	14-Dec-23	FRONTIER CALIFORNIA INC.	62.57	IRWD Wells Fargo Check No Print	Reconciled
440006	14-Dec-23	GALLADE CHEMICAL INC	2,883.39	IRWD Wells Fargo Check No Print	Reconciled
440007	14-Dec-23	GHD INC.	10,281.14	IRWD Wells Fargo Check No Print	Reconciled
440008	14-Dec-23	GRAINGER	5,138.59	IRWD Wells Fargo Check No Print	Reconciled
440009	14-Dec-23	GRAYBAR ELECTRIC COMPANY	8,297.96	IRWD Wells Fargo Check No Print	Reconciled
440010	14-Dec-23	GSRP ST SOLAR I LLC	10,221.53	IRWD Wells Fargo Check No Print	Reconciled
440011	14-Dec-23	GUIDA SURVEYING INC.	4,412.75	IRWD Wells Fargo Check No Print	Reconciled
440012	14-Dec-23	HDR ENGINEERING INC	28,438.75	IRWD Wells Fargo Check No Print	Reconciled
440013	14-Dec-23	HI-LINE INC	412.31	IRWD Wells Fargo Check No Print	Reconciled
440014	14-Dec-23	HOME DEPOT USA INC	557.20	IRWD Wells Fargo Check No Print	Reconciled
440015	14-Dec-23	HOME DEPOT USA INC	1,659.48	IRWD Wells Fargo Check No Print	Reconciled
440016	14-Dec-23	HOT LINE CONSTRUCTION INC	1,827.89	IRWD Wells Fargo Check No Print	Reconciled
440017	14-Dec-23	INDUSTRIAL METAL SUPPLY CO	176.31	IRWD Wells Fargo Check No Print	Reconciled
440018	14-Dec-23	INDUSTRIAL SCIENTIFIC CORPORATION	3,696.04	IRWD Wells Fargo Check No Print	Reconciled
440019	14-Dec-23	INTEGRITY MUNICIPAL SERVICES LLC	4,756.00	IRWD Wells Fargo Check No Print	Reconciled
440020	14-Dec-23	INTERPRO SOLUTIONS, LLC.	1,750.00	IRWD Wells Fargo Check No Print	Reconciled
440021	14-Dec-23	J.B BOSTICK COMPANY INC	1,267.84	IRWD Wells Fargo Check No Print	Negotiable
440022	14-Dec-23	JOHNSTONE SUPPLY SANTA ANA	781.14	IRWD Wells Fargo Check No Print	Reconciled
440023	14-Dec-23	KEC ENGINEERING	1,348.50	IRWD Wells Fargo Check No Print	Reconciled
440024	14-Dec-23	KELLY SERVICES INC	24.35	IRWD Wells Fargo Check No Print	Reconciled
440025	14-Dec-23	LINDE GAS & EQUIPMENT INC.	284.99	IRWD Wells Fargo Check No Print	Reconciled
440026	14-Dec-23	MC FADDEN-DALE INDUSTRIAL	525.82	IRWD Wells Fargo Check No Print	Reconciled
440027	14-Dec-23	MICROSOFT CORPORATION	24.00	IRWD Wells Fargo Check No Print	Reconciled
440028	14-Dec-23	MILES CHEMICAL COMPANY, INC.	12,490.01	IRWD Wells Fargo Check No Print	Cleared
440029	14-Dec-23	MONTROSE ENVIRONMENTAL GROUP, INC.	1,825.00	IRWD Wells Fargo Check No Print	Reconciled
440030	14-Dec-23	MORSCO SUPPLY, LLC	1,053.59	IRWD Wells Fargo Check No Print	Reconciled
440031	14-Dec-23	MSC INDUSTRIAL SUPPLY CO	175.16	IRWD Wells Fargo Check No Print	Reconciled
440032	14-Dec-23	NATIONAL OILWELL VARCO, L.P.	5,931.42	IRWD Wells Fargo Check No Print	Reconciled
440033	14-Dec-23	NATIONAL READY MIXED CONCRETE SALES, LLC	618.76	IRWD Wells Fargo Check No Print	Reconciled
440034	14-Dec-23	NATIONAL SAFETY COMPLIANCE, INC	495.00	IRWD Wells Fargo Check No Print	Reconciled
440035	14-Dec-23	NINYO & MOORE	26,944.25	IRWD Wells Fargo Check No Print	Cleared
440036	14-Dec-23	NORTHWOOD PLACE APTS	767.60	IRWD Wells Fargo Check No Print	Negotiable
440037	14-Dec-23	ONESOURCE DISTRIBUTORS LLC	12,639.00	IRWD Wells Fargo Check No Print	Reconciled
440038	14-Dec-23	ORACLE AMERICA, INC.	252,170.50	IRWD Wells Fargo Check No Print	Reconciled
440039	14-Dec-23	PACIFIC MECHANICAL SUPPLY	336.43	IRWD Wells Fargo Check No Print	Reconciled
440040	14-Dec-23	PACIFIC STAR CHEMICAL, LLC	8,017.62	IRWD Wells Fargo Check No Print	Reconciled
440041	14-Dec-23	PASTER, ROBERT	358.61	IRWD Wells Fargo Check No Print	Negotiable
440042	14-Dec-23	PENN ARCHIVE SERVICES	93.76	IRWD Wells Fargo Check No Print	Reconciled
440043	14-Dec-23	PHENIX ENTERPRISES, INC	712.97	IRWD Wells Fargo Check No Print	Reconciled
440044	14-Dec-23	PLUMBERS DEPOT INC.	14,070.26	IRWD Wells Fargo Check No Print	Reconciled
440045	14-Dec-23	PREMIER PAVING INC.	1,681.75	IRWD Wells Fargo Check No Print	Reconciled
440046	14-Dec-23	QUADIENT LEASING USA, INC.	3,705.60	IRWD Wells Fargo Check No Print	Reconciled
440047	14-Dec-23	RANCHO MADERAS APTS	471.07	IRWD Wells Fargo Check No Print	Negotiable
440048	14-Dec-23	RANCHO TIERRA APTS	1,663.63	IRWD Wells Fargo Check No Print	Negotiable
440049	14-Dec-23	RELIABLE WATER SOLUTIONS, LLC	4,941.52	IRWD Wells Fargo Check No Print	Negotiable
440050	14-Dec-23	RICHARD C. SLADE & ASSOCIATES LLC	6,058.53	IRWD Wells Fargo Check No Print	Negotiable
440051	14-Dec-23	ROBERTS ROOFING INC	16,000.00	IRWD Wells Fargo Check No Print	Cleared
440052	14-Dec-23	ROSENBERG, EMILY	346.31	IRWD Wells Fargo Check No Print	Reconciled
440053	14-Dec-23	RUBY CANYON ENVIRONMENTAL, INC.	5,400.00	IRWD Wells Fargo Check No Print	Reconciled
440054	14-Dec-23	SCA OF CA, LLC	1,420.00	IRWD Wells Fargo Check No Print	Reconciled
440055	14-Dec-23	SEAL ANALYTICAL INC	366.99	IRWD Wells Fargo Check No Print	Reconciled
440056	14-Dec-23	SECURITAS SECURITY SERVICES USA, INC.	159,132.92	IRWD Wells Fargo Check No Print	Reconciled
440057	14-Dec-23	SHAMROCK SUPPLY CO INC	527.55	IRWD Wells Fargo Check No Print	Reconciled

**IRVINE RANCH WATER DISTRICT  
AP DISBURSEMENTS AND VOIDS FOR DECEMBER 2023**

CHECK OR ELECTRONIC #	PAYMENT DATE	SUPPLIERS	PAYMENT AMOUNT	PAYMENT METHOD	STATUS
440058	14-Dec-23	SHOETERIA	482.03	IRWD Wells Fargo Check No Print	Reconciled
440059	14-Dec-23	SIERRA VISTA APTS	101.12	IRWD Wells Fargo Check No Print	Negotiable
440060	14-Dec-23	SIMPPLR INC.	72,165.00	IRWD Wells Fargo Check No Print	Reconciled
440061	14-Dec-23	SOUTH COAST WATER DISTRICT	1,127.67	IRWD Wells Fargo Check No Print	Reconciled
440062	14-Dec-23	SOUTHERN CALIFORNIA EDISON COMPANY	1,300.00	IRWD Wells Fargo Check No Print	Reconciled
440063	14-Dec-23	SOUTHERN CALIFORNIA EDISON COMPANY	1,020,592.24	IRWD Wells Fargo Check No Print	Reconciled
440064	14-Dec-23	SOUTHERN CALIFORNIA GAS COMPANY	13,956.47	IRWD Wells Fargo Check No Print	Reconciled
440065	14-Dec-23	SOUTHERN COUNTIES LUBRICANTS LLC	3,258.31	IRWD Wells Fargo Check No Print	Reconciled
440066	14-Dec-23	SPARKLETTS	33.27	IRWD Wells Fargo Check No Print	Reconciled
440067	14-Dec-23	STATE WATER RESOURCES CONTROL BOARD	228,973.00	IRWD Wells Fargo Check No Print	Reconciled
440068	14-Dec-23	SUNSTATE EQUIPMENT CO.	329.36	IRWD Wells Fargo Check No Print	Reconciled
440069	14-Dec-23	TASSIN SCIENTIFIC SERVICES, LLC.	1,322.25	IRWD Wells Fargo Check No Print	Reconciled
440070	14-Dec-23	THE MAHER CORPORATION	2,542.50	IRWD Wells Fargo Check No Print	Reconciled
440071	14-Dec-23	TIC-SPECTRUM OFFICE	1,269.89	IRWD Wells Fargo Check No Print	Negotiable
440072	14-Dec-23	TINOSI, INC	800.00	IRWD Wells Fargo Check No Print	Reconciled
440073	14-Dec-23	TRI COUNTY PUMP COMPANY	10,683.38	IRWD Wells Fargo Check No Print	Reconciled
440074	14-Dec-23	TUSTIN CHAMBER OF COMMERCE	500.00	IRWD Wells Fargo Check No Print	Negotiable
440075	14-Dec-23	ULINE INC	1,733.03	IRWD Wells Fargo Check No Print	Reconciled
440076	14-Dec-23	UNITED PARCEL SERVICE INC	55.26	IRWD Wells Fargo Check No Print	Reconciled
440077	14-Dec-23	USA WASTE OF CALIFORNIA, INC.	1,279.20	IRWD Wells Fargo Check No Print	Reconciled
440078	14-Dec-23	VULCAN MATERIALS COMPANY	2,132.37	IRWD Wells Fargo Check No Print	Reconciled
440079	14-Dec-23	VWR INTERNATIONAL, LLC	3,712.94	IRWD Wells Fargo Check No Print	Reconciled
440080	14-Dec-23	W.E. O'NEIL CONST CO OF SD	1,459.55	IRWD Wells Fargo Check No Print	Reconciled
440081	14-Dec-23	WASTE MANAGEMENT COLLECTIONS AND RECYCLING, INC.	3,779.29	IRWD Wells Fargo Check No Print	Reconciled
440082	14-Dec-23	WAXIE'S ENTERPRISES, INC	435.85	IRWD Wells Fargo Check No Print	Reconciled
440083	14-Dec-23	WEINBERG, DR CHARLES	740.96	IRWD Wells Fargo Check No Print	Reconciled
440084	14-Dec-23	WEST YOST & ASSOCIATES, INC.	1,010.00	IRWD Wells Fargo Check No Print	Reconciled
440085	14-Dec-23	WESTAIR GASES & EQUIPMENT, INC.	1,928.73	IRWD Wells Fargo Check No Print	Reconciled
440086	14-Dec-23	WESTERN OILFIELDS SUPPLY COMPANY	372.70	IRWD Wells Fargo Check No Print	Reconciled
440087	14-Dec-23	WISCONSIN STATE LABORATORY OF HYGIENE	385.00	IRWD Wells Fargo Check No Print	Reconciled
440088	14-Dec-23	WOODBURY COURT APTS	483.69	IRWD Wells Fargo Check No Print	Negotiable
440089	14-Dec-23	YING PENG AND CHERNG-JIEH WANG	2,474.36	IRWD Wells Fargo Check No Print	Reconciled
440090	14-Dec-23	YU, XINXIN	23.68	IRWD Wells Fargo Check No Print	Negotiable
440091	14-Dec-23	ZHU, YIDONG	278.80	IRWD Wells Fargo Check No Print	Reconciled
440092	18-Dec-23	NEARMAP US INC	1,500.00	IRWD Wells Fargo Check No Print	Reconciled
440093	21-Dec-23	SOUTHERN CALIFORNIA EDISON COMPANY	55.29	IRWD Wells Fargo Check No Print	Reconciled
440094	21-Dec-23	11:11 SYSTEMS INC.	6,348.80	IRWD Wells Fargo Check No Print	Reconciled
440095	21-Dec-23	ACCUSTANDARD INC	80.89	IRWD Wells Fargo Check No Print	Reconciled
440096	21-Dec-23	AMAYA SOLUTIONS INC.	5,752.62	IRWD Wells Fargo Check No Print	Reconciled
440097	21-Dec-23	ANDRITZ SEPARATION, INC.	1,034.19	IRWD Wells Fargo Check No Print	Reconciled
440098	21-Dec-23	ARCADIS U.S., INC.	3,022.00	IRWD Wells Fargo Check No Print	Reconciled
440099	21-Dec-23	ARCURI, TERRIANN	1,007.02	IRWD Wells Fargo Check No Print	Reconciled
440100	21-Dec-23	ARIZONA PIPELINE COMPANY	20,970.25	IRWD Wells Fargo Check No Print	Reconciled
440101	21-Dec-23	AT&T CORP	165.13	IRWD Wells Fargo Check No Print	Reconciled
440102	21-Dec-23	AT&T CORP	6,657.00	IRWD Wells Fargo Check No Print	Reconciled
440103	21-Dec-23	AT&T CORP	12,347.19	IRWD Wells Fargo Check No Print	Reconciled
440104	21-Dec-23	AT&T MOBILITY	147.74	IRWD Wells Fargo Check No Print	Reconciled
440105	21-Dec-23	AUTOZONE PARTS, INC.	389.85	IRWD Wells Fargo Check No Print	Reconciled
440106	21-Dec-23	AZTEC TECHNOLOGY CORPORATION	969.76	IRWD Wells Fargo Check No Print	Reconciled
440107	21-Dec-23	BADGER METER INC.	123,498.74	IRWD Wells Fargo Check No Print	Reconciled
440108	21-Dec-23	BELLEWICK COMMUNITY ASSOCIATION	375.00	IRWD Wells Fargo Check No Print	Reconciled
440109	21-Dec-23	BORCHARD SURVEYING & MAPPING, INC.	11,350.00	IRWD Wells Fargo Check No Print	Reconciled
440110	21-Dec-23	BPS SUPPLY GROUP	606.34	IRWD Wells Fargo Check No Print	Reconciled
440111	21-Dec-23	BROWN AND CALDWELL	21,252.32	IRWD Wells Fargo Check No Print	Cleared
440112	21-Dec-23	C WELLS PIPELINE MATERIALS INC	6,916.47	IRWD Wells Fargo Check No Print	Reconciled
440113	21-Dec-23	CANON FINANCIAL SERVICES, INC.	9,484.08	IRWD Wells Fargo Check No Print	Reconciled
440114	21-Dec-23	CANON SOLUTIONS AMERICA, INC	18.06	IRWD Wells Fargo Check No Print	Reconciled
440115	21-Dec-23	CENTROID SYSTEMS, INC.	5,980.00	IRWD Wells Fargo Check No Print	Reconciled
440116	21-Dec-23	CHAIREL CUSTOM HAY, INC.	1,962.36	IRWD Wells Fargo Check No Print	Reconciled
440117	21-Dec-23	CHEN, MING C	19.83	IRWD Wells Fargo Check No Print	Reconciled
440118	21-Dec-23	CITY OF SANTA ANA	608.72	IRWD Wells Fargo Check No Print	Reconciled
440119	21-Dec-23	CLA-VAL COMPANY	10,956.07	IRWD Wells Fargo Check No Print	Reconciled
440120	21-Dec-23	CORELOGIC INC	1,182.10	IRWD Wells Fargo Check No Print	Reconciled
440121	21-Dec-23	CORPORATE PARK OWNERS ASSOCIATION	5,854.00	IRWD Wells Fargo Check No Print	Negotiable
440122	21-Dec-23	CPARS CONSULTING, INC.	9,875.00	IRWD Wells Fargo Check No Print	Reconciled
440123	21-Dec-23	CURATIVE I.T. LLC	4,361.65	IRWD Wells Fargo Check No Print	Reconciled
440124	21-Dec-23	D & H WATER SYSTEMS INC.	3,504.90	IRWD Wells Fargo Check No Print	Reconciled
440125	21-Dec-23	DAIOHS USA INCORPORATED	3,299.51	IRWD Wells Fargo Check No Print	Reconciled
440126	21-Dec-23	DAVIS FARR LLP	21,000.00	IRWD Wells Fargo Check No Print	Reconciled
440127	21-Dec-23	DCSE, INC.	19,110.00	IRWD Wells Fargo Check No Print	Reconciled
440128	21-Dec-23	DEPARTMENT OF INDUSTRIAL RELATIONS STATE OF CALIFORNIA	16,561.94	IRWD Wells Fargo Check No Print	Reconciled
440129	21-Dec-23	DILYTICS INC	4,040.00	IRWD Wells Fargo Check No Print	Negotiable
440130	21-Dec-23	DMS FACILITY SERVICES, LLC	34,965.17	IRWD Wells Fargo Check No Print	Reconciled
440131	21-Dec-23	E SOURCE COMPANIES LLC	10,700.00	IRWD Wells Fargo Check No Print	Reconciled
440132	21-Dec-23	EAGLE PRINT DYNAMICS	2,306.25	IRWD Wells Fargo Check No Print	Reconciled



**IRVINE RANCH WATER DISTRICT  
AP DISBURSEMENTS AND VOIDS FOR DECEMBER 2023**

CHECK OR ELECTRONIC #	PAYMENT DATE	SUPPLIERS	PAYMENT AMOUNT	PAYMENT METHOD	STATUS
440133	21-Dec-23	EMD MILLIPORE CORP.	4,408.50	IRWD Wells Fargo Check No Print	Reconciled
440134	21-Dec-23	FARRELL & ASSOCIATES	109.33	IRWD Wells Fargo Check No Print	Negotiable
440135	21-Dec-23	FEDEX	552.27	IRWD Wells Fargo Check No Print	Reconciled
440136	21-Dec-23	FISHER SCIENTIFIC COMPANY LLC	1,791.15	IRWD Wells Fargo Check No Print	Reconciled
440137	21-Dec-23	FRIENDS OF NEWPORT BEACH ANIMAL SHELTER	204.14	IRWD Wells Fargo Check No Print	Reconciled
440138	21-Dec-23	FRONTIER CALIFORNIA INC.	520.62	IRWD Wells Fargo Check No Print	Reconciled
440139	21-Dec-23	GEI CONSULTANTS INC	740.25	IRWD Wells Fargo Check No Print	Reconciled
440140	21-Dec-23	GRAINGER	2,770.28	IRWD Wells Fargo Check No Print	Reconciled
440141	21-Dec-23	GRAYBAR ELECTRIC COMPANY	2,453.12	IRWD Wells Fargo Check No Print	Reconciled
440142	21-Dec-23	HACH COMPANY	1,953.72	IRWD Wells Fargo Check No Print	Reconciled
440143	21-Dec-23	HAMMOUD, SANA	58.03	IRWD Wells Fargo Check No Print	Reconciled
440144	21-Dec-23	HDR ENGINEERING INC	7,515.50	IRWD Wells Fargo Check No Print	Reconciled
440145	21-Dec-23	HEALTH SCIENCE ASSOCIATES, INC.	1,435.75	IRWD Wells Fargo Check No Print	Reconciled
440146	21-Dec-23	HEATHER MCDERMOTT	1,766.00	IRWD Wells Fargo Check No Print	Negotiable
440147	21-Dec-23	HI-LINE INC	625.04	IRWD Wells Fargo Check No Print	Reconciled
440148	21-Dec-23	HOME DEPOT USA INC	1,374.56	IRWD Wells Fargo Check No Print	Reconciled
440149	21-Dec-23	HOYA OPTICAL LABS OF AMERICA, INC.	231.00	IRWD Wells Fargo Check No Print	Reconciled
440150	21-Dec-23	IMPERIAL SPRINKLER SUPPLY, INC.	1,492.40	IRWD Wells Fargo Check No Print	Reconciled
440151	21-Dec-23	INDUSTRIAL SCIENTIFIC CORPORATION	14,828.25	IRWD Wells Fargo Check No Print	Reconciled
440152	21-Dec-23	INFOSEND, INC.	56,673.40	IRWD Wells Fargo Check No Print	Cleared
440153	21-Dec-23	IRON MOUNTAIN INFORMATION MANAGEMENT INC	940.36	IRWD Wells Fargo Check No Print	Reconciled
440154	21-Dec-23	IRVINE PACIFIC	72.00	IRWD Wells Fargo Check No Print	Negotiable
440155	21-Dec-23	IRVINE PROPERTY MANAGEMENT	41.36	IRWD Wells Fargo Check No Print	Negotiable
440156	21-Dec-23	JAMES R WADIN LIVING TRUST	49.69	IRWD Wells Fargo Check No Print	Reconciled
440157	21-Dec-23	JOHNSON-FRANK & ASSOCIATES, INC.	5,785.00	IRWD Wells Fargo Check No Print	Reconciled
440158	21-Dec-23	KAESER COMPRESSORS, INC.	2,442.55	IRWD Wells Fargo Check No Print	Reconciled
440159	21-Dec-23	KIMBALL MIDWEST	806.62	IRWD Wells Fargo Check No Print	Reconciled
440160	21-Dec-23	LEIGHTON CONSULTING, INC.	9,428.39	IRWD Wells Fargo Check No Print	Reconciled
440161	21-Dec-23	LIM, EDDY	41.03	IRWD Wells Fargo Check No Print	Negotiable
440162	21-Dec-23	LINDE GAS & EQUIPMENT INC.	3,191.27	IRWD Wells Fargo Check No Print	Reconciled
440163	21-Dec-23	LOTTES, RICHARD	316.16	IRWD Wells Fargo Check No Print	Reconciled
440164	21-Dec-23	LOZANO SMITH, LLP	21,690.00	IRWD Wells Fargo Check No Print	Reconciled
440165	21-Dec-23	LSA ASSOCIATES INC	5,957.50	IRWD Wells Fargo Check No Print	Reconciled
440166	21-Dec-23	MAP COMMUNICATIONS, INC.	760.60	IRWD Wells Fargo Check No Print	Negotiable
440167	21-Dec-23	MASTER LANDSCAPE & MAINTENANCE, INC.	2,762.40	IRWD Wells Fargo Check No Print	Reconciled
440168	21-Dec-23	MC FADDEN-DALE INDUSTRIAL	453.81	IRWD Wells Fargo Check No Print	Reconciled
440169	21-Dec-23	MC MASTER CARR SUPPLY CO	10,972.86	IRWD Wells Fargo Check No Print	Reconciled
440170	21-Dec-23	MICROSOFT CORPORATION	488.17	IRWD Wells Fargo Check No Print	Reconciled
440171	21-Dec-23	MISCOWATER	4,739.39	IRWD Wells Fargo Check No Print	Reconciled
440172	21-Dec-23	MORSCO SUPPLY, LLC	567.98	IRWD Wells Fargo Check No Print	Reconciled
440173	21-Dec-23	MSC INDUSTRIAL SUPPLY CO	4,888.77	IRWD Wells Fargo Check No Print	Reconciled
440174	21-Dec-23	MUTUAL PROPANE	200.97	IRWD Wells Fargo Check No Print	Reconciled
440175	21-Dec-23	NATIONAL READY MIXED CONCRETE SALES, LLC	677.18	IRWD Wells Fargo Check No Print	Reconciled
440176	21-Dec-23	NEW DIMENSION GENERAL CONSTRUCTION, INC.	20,440.06	IRWD Wells Fargo Check No Print	Reconciled
440177	21-Dec-23	NICK BARBIERI TRUCKING, LLC	4,587.60	IRWD Wells Fargo Check No Print	Reconciled
440178	21-Dec-23	NIXON-EGLI EQUIPMENT COMPANY INC.	11,602.15	IRWD Wells Fargo Check No Print	Reconciled
440179	21-Dec-23	NORIMA CONSULTING US	13,320.00	IRWD Wells Fargo Check No Print	Reconciled
440180	21-Dec-23	OPERATIONAL TECHNICAL SERVICES	19,244.00	IRWD Wells Fargo Check No Print	Reconciled
440181	21-Dec-23	ORANGE COUNTY FIRE AUTHORITY	7,238.00	IRWD Wells Fargo Check No Print	Reconciled
440182	21-Dec-23	ORANGE COUNTY FIRE PROTECTION	4,081.50	IRWD Wells Fargo Check No Print	Reconciled
440183	21-Dec-23	PACIFIC HYDROTECH CORPORATION	2,730.66	IRWD Wells Fargo Check No Print	Reconciled
440184	21-Dec-23	PACIFIC HYDROTECH CORPORATION	7,433.09	IRWD Wells Fargo Check No Print	Negotiable
440185	21-Dec-23	PACIFIC HYDROTECH CORPORATION	193,111.24	IRWD Wells Fargo Check No Print	Reconciled
440186	21-Dec-23	PACIFIC MECHANICAL SUPPLY	1,024.56	IRWD Wells Fargo Check No Print	Reconciled
440187	21-Dec-23	PLUMBERS DEPOT INC.	2,567.76	IRWD Wells Fargo Check No Print	Negotiable
440188	21-Dec-23	PROTEUS CONSULTING	9,375.00	IRWD Wells Fargo Check No Print	Reconciled
440189	21-Dec-23	PRUDENTIAL OVERALL SUPPLY	11,490.10	IRWD Wells Fargo Check No Print	Reconciled
440190	21-Dec-23	PSOMAS	12,492.00	IRWD Wells Fargo Check No Print	Reconciled
440191	21-Dec-23	QUADIANT FINANCE USA, INC.	36.00	IRWD Wells Fargo Check No Print	Reconciled
440192	21-Dec-23	QUINN COMPANY	8,510.00	IRWD Wells Fargo Check No Print	Reconciled
440193	21-Dec-23	ROBERT HALF INC.	18,636.85	IRWD Wells Fargo Check No Print	Reconciled
440194	21-Dec-23	SCHLOSBERG, HILTON	438.15	IRWD Wells Fargo Check No Print	Reconciled
440195	21-Dec-23	SHAMROCK SUPPLY CO INC	31.68	IRWD Wells Fargo Check No Print	Reconciled
440196	21-Dec-23	SHOETERIA	249.57	IRWD Wells Fargo Check No Print	Reconciled
440197	21-Dec-23	SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT	3,964.60	IRWD Wells Fargo Check No Print	Reconciled
440198	21-Dec-23	SOUTHERN CALIFORNIA EDISON COMPANY	46,638.49	IRWD Wells Fargo Check No Print	Reconciled
440199	21-Dec-23	SOUTHERN CALIFORNIA GAS COMPANY	36,571.80	IRWD Wells Fargo Check No Print	Reconciled
440200	21-Dec-23	SOUTHERN CALIFORNIA WATER COALITION	25,000.00	IRWD Wells Fargo Check No Print	Negotiable
440201	21-Dec-23	SOUTHERN COUNTIES LUBRICANTS LLC	325.41	IRWD Wells Fargo Check No Print	Reconciled
440202	21-Dec-23	SPIRAC (USA) INC	17,174.28	IRWD Wells Fargo Check No Print	Reconciled
440203	21-Dec-23	STANTEC CONSULTING SERVICES INC.	6,279.00	IRWD Wells Fargo Check No Print	Reconciled
440204	21-Dec-23	STARK	4,447.11	IRWD Wells Fargo Check No Print	Reconciled
440205	21-Dec-23	SUN CAL REAL ESTATE CORP	63.22	IRWD Wells Fargo Check No Print	Reconciled
440206	21-Dec-23	SUZANNA CHOI	5,000.00	IRWD Wells Fargo Check No Print	Reconciled
440207	21-Dec-23	TASSIN SCIENTIFIC SERVICES, LLC.	829.06	IRWD Wells Fargo Check No Print	Reconciled

**IRVINE RANCH WATER DISTRICT  
AP DISBURSEMENTS AND VOIDS FOR DECEMBER 2023**

CHECK OR ELECTRONIC #	PAYMENT DATE	SUPPLIERS	PAYMENT AMOUNT	PAYMENT METHOD	STATUS
440208	21-Dec-23	TAYLOR MORRISON OF CALIFORNIA, LLC	153.30	IRWD Wells Fargo Check No Print	Reconciled
440210	21-Dec-23	THE CLIMATE REGISTRY	3,229.00	IRWD Wells Fargo Check No Print	Negotiable
440211	21-Dec-23	TIC-IPG-COMMON	1,240.90	IRWD Wells Fargo Check No Print	Negotiable
440212	21-Dec-23	TOLL BROS., INC.	51.94	IRWD Wells Fargo Check No Print	Reconciled
440213	21-Dec-23	TONY DEMARIA ELECTRIC, INC	37,135.00	IRWD Wells Fargo Check No Print	Negotiable
440214	21-Dec-23	TROPICAL PLAZA NURSERY INC	15,520.62	IRWD Wells Fargo Check No Print	Reconciled
440215	21-Dec-23	ULINE INC	1,240.68	IRWD Wells Fargo Check No Print	Negotiable
440216	21-Dec-23	UNITED PARCEL SERVICE INC	30.00	IRWD Wells Fargo Check No Print	Reconciled
440217	21-Dec-23	UNITED SITE SERVICES OF CALIFORNIA INC	320.72	IRWD Wells Fargo Check No Print	Reconciled
440218	21-Dec-23	USA BLUEBOOK	429.71	IRWD Wells Fargo Check No Print	Reconciled
440219	21-Dec-23	VULCAN MATERIALS COMPANY	2,146.51	IRWD Wells Fargo Check No Print	Reconciled
440220	21-Dec-23	VWR INTERNATIONAL, LLC	164.79	IRWD Wells Fargo Check No Print	Reconciled
440221	21-Dec-23	WATEREUSE ASSOCIATION	7,500.00	IRWD Wells Fargo Check No Print	Negotiable
440222	21-Dec-23	WAXIE'S ENTERPRISES, INC	1,489.92	IRWD Wells Fargo Check No Print	Reconciled
440223	21-Dec-23	WEST YOST & ASSOCIATES, INC.	1,381.50	IRWD Wells Fargo Check No Print	Reconciled
440225	21-Dec-23	XYLEM WATER SOLUTIONS USA, INC.	619.18	IRWD Wells Fargo Check No Print	Reconciled
440226	21-Dec-23	ZHENGCHAO NIU	8,296.50	IRWD Wells Fargo Check No Print	Negotiable
440227	21-Dec-23	ANTHEM BLUE CROSS	306.93	IRWD Wells Fargo Check	Reconciled
440228	21-Dec-23	CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION	405.00	IRWD Wells Fargo Check	Reconciled
440229	21-Dec-23	FRANCHISE TAX BOARD	1,023.17	IRWD Wells Fargo Check	Negotiable
440230	21-Dec-23	HUMANA INSURANCE COMPANY	150.60	IRWD Wells Fargo Check	Reconciled
440231	21-Dec-23	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 47	6,045.67	IRWD Wells Fargo Check	Reconciled
440232	21-Dec-23	PERS LONG TERM CARE	661.00	IRWD Wells Fargo Check	Reconciled
440233	27-Dec-23	US BANK NAT'L ASSOCIATION NORTH DAKOTA	52,628.26	IRWD Wells Fargo Check No Print	Negotiable
440234	28-Dec-23	AGUSTIN DELGADO	1,628.80	IRWD Wells Fargo Check	Reconciled
<b>SUB-TOTAL IRWD WELLS FARGO CHECK AND IRWD WELLS FARGO CHECK NO PRINT DISBURSEMENTS</b>			<b>6,028,396.80</b>		

1002127	7-Dec-23	ADAM'S FALCONRY SERVICE, LLC	2,400.00	IRWD Wells Fargo ACH	Reconciled
1002128	7-Dec-23	ALEXANDER'S CONTRACT SERVICES, INC.	134,318.18	IRWD Wells Fargo ACH	Cleared
1002129	7-Dec-23	AMAZON CAPITAL SERVICES, INC.	3,122.19	IRWD Wells Fargo ACH	Reconciled
1002130	7-Dec-23	AUVIK NETWORKS INC.	139.65	IRWD Wells Fargo ACH	Reconciled
1002131	7-Dec-23	CALIFORNIA BARRICADE RENTAL, INC.	1,660.00	IRWD Wells Fargo ACH	Reconciled
1002132	7-Dec-23	CONSERV CONSTRUCTION INC.	5,225.00	IRWD Wells Fargo ACH	Cleared
1002133	7-Dec-23	COTTONS POINT DESIGN, INC.	2,168.47	IRWD Wells Fargo ACH	Reconciled
1002134	7-Dec-23	DATA CLEAN CORPORATION	690.00	IRWD Wells Fargo ACH	Reconciled
1002135	7-Dec-23	DRAKE TRAFFIC CONTROL SERVICES INC	3,655.00	IRWD Wells Fargo ACH	Reconciled
1002136	7-Dec-23	EUROFINS ENVIRONMENT TESTING AMERICA HOLDINGS, INC.	2,467.50	IRWD Wells Fargo ACH	Reconciled
1002137	7-Dec-23	FLUID SOUND, INC.	22,403.79	IRWD Wells Fargo ACH	Cleared
1002138	7-Dec-23	HAAKER EQUIPMENT COMPANY	1,271.83	IRWD Wells Fargo ACH	Reconciled
1002139	7-Dec-23	HELPMATES STAFFING SERVICES LLC	852.00	IRWD Wells Fargo ACH	Reconciled
1002140	7-Dec-23	HILL BROTHERS CHEMICAL COMPANY	3,566.40	IRWD Wells Fargo ACH	Reconciled
1002141	7-Dec-23	LAGUNA BEACH COUNTY WATER DISTRICT	2,576.07	IRWD Wells Fargo ACH	Reconciled
1002142	7-Dec-23	LANDCARE HOLDINGS, INC.	136,329.50	IRWD Wells Fargo ACH	Cleared
1002143	7-Dec-23	LCS TECHNOLOGIES, INC.	2,700.00	IRWD Wells Fargo ACH	Reconciled
1002144	7-Dec-23	MUNICIPAL WATER DISTRICT OF ORANGE COUNTY	1,092,526.08	IRWD Wells Fargo ACH	Cleared
1002145	7-Dec-23	N1 CRITICAL TECHNOLOGIES, INC	2,132.16	IRWD Wells Fargo ACH	Reconciled
1002146	7-Dec-23	NATURALWELL, LLC	2,227.50	IRWD Wells Fargo ACH	Reconciled
1002147	7-Dec-23	NEWPORT WINDOW MAINTENANCE INC	3,255.00	IRWD Wells Fargo ACH	Reconciled
1002148	7-Dec-23	O.C. SUPERIOR CUSTOM CLEANING	4,612.00	IRWD Wells Fargo ACH	Reconciled
1002149	7-Dec-23	OLIN CORPORATION	78,943.46	IRWD Wells Fargo ACH	Cleared
1002150	7-Dec-23	ORANGE COUNTY AUTO PARTS CO	1,143.96	IRWD Wells Fargo ACH	Reconciled
1002151	7-Dec-23	PAPER DEPOT DOCUMENT DESTRUCTION LLC	145.00	IRWD Wells Fargo ACH	Reconciled
1002152	7-Dec-23	RAM AIR ENGINEERING INC	6,152.19	IRWD Wells Fargo ACH	Cleared
1002153	7-Dec-23	RED WING SHOE STORE	170.45	IRWD Wells Fargo ACH	Reconciled
1002154	7-Dec-23	RINCON TRUCK CENTER INC.	230.62	IRWD Wells Fargo ACH	Reconciled
1002155	7-Dec-23	RLG ENTERPRISES, INC	418.55	IRWD Wells Fargo ACH	Reconciled
1002156	7-Dec-23	TOTAL RESOURCE MANAGEMENT, INC	2,349.50	IRWD Wells Fargo ACH	Reconciled
1002172	11-Dec-23	JCI JONES CHEMICALS INC	10,953.53	IRWD Wells Fargo ACH	Cleared
1002173	14-Dec-23	AECOM TECHNICAL SERVICES, INC.	440,210.55	IRWD Wells Fargo ACH	Cleared
1002174	14-Dec-23	AMAZON CAPITAL SERVICES, INC.	3,329.37	IRWD Wells Fargo ACH	Reconciled
1002175	14-Dec-23	CALIFORNIA BARRICADE RENTAL, INC.	2,067.00	IRWD Wells Fargo ACH	Reconciled
1002176	14-Dec-23	CDW GOVERNMENT LLC	14,155.39	IRWD Wells Fargo ACH	Reconciled
1002177	14-Dec-23	CITY OF IRVINE	11,664.49	IRWD Wells Fargo ACH	Reconciled
1002178	14-Dec-23	DIGITAL SCEPTER CORPORATION	7,225.00	IRWD Wells Fargo ACH	Reconciled
1002179	14-Dec-23	DRAKE TRAFFIC CONTROL SERVICES INC	687.50	IRWD Wells Fargo ACH	Reconciled
1002180	14-Dec-23	DUDEK	570.00	IRWD Wells Fargo ACH	Reconciled
1002181	14-Dec-23	ENVIRONMENTAL ENGINEERING AND CONTRACTING, INC.	46,975.00	IRWD Wells Fargo ACH	Cleared
1002182	14-Dec-23	EUROFINS ENVIRONMENT TESTING AMERICA HOLDINGS, INC.	4,255.75	IRWD Wells Fargo ACH	Reconciled
1002183	14-Dec-23	FISHER & PHILLIPS LLP	45,437.40	IRWD Wells Fargo ACH	Reconciled
1002184	14-Dec-23	FOUGHT, CYNTHIA J.	2,593.70	IRWD Wells Fargo ACH	Reconciled
1002185	14-Dec-23	GANAHL LUMBER CO.	1,892.25	IRWD Wells Fargo ACH	Reconciled
1002186	14-Dec-23	HILL BROTHERS CHEMICAL COMPANY	28,192.14	IRWD Wells Fargo ACH	Reconciled
1002187	14-Dec-23	KRONICK MOSKOVITZ TIEDEMANN & GIRARD	10,977.50	IRWD Wells Fargo ACH	Reconciled
1002188	14-Dec-23	LAGUNA BEACH COUNTY WATER DISTRICT	3,094.30	IRWD Wells Fargo ACH	Reconciled
1002189	14-Dec-23	MERRIMAC PETROLEUM, INC.	32,981.42	IRWD Wells Fargo ACH	Reconciled

**IRVINE RANCH WATER DISTRICT  
AP DISBURSEMENTS AND VOIDS FOR DECEMBER 2023**

CHECK OR ELECTRONIC #	PAYMENT DATE	SUPPLIERS	PAYMENT AMOUNT	PAYMENT METHOD	STATUS
1002190	14-Dec-23	MUNICIPAL WATER DISTRICT OF ORANGE COUNTY	25,501.91	IRWD Wells Fargo ACH	Reconciled
1002191	14-Dec-23	OLIN CORPORATION	67,496.13	IRWD Wells Fargo ACH	Cleared
1002192	14-Dec-23	ORANGE COUNTY AUTO PARTS CO	1,295.08	IRWD Wells Fargo ACH	Reconciled
1002193	14-Dec-23	ORIGIN CONSULTING LLC	3,585.00	IRWD Wells Fargo ACH	Reconciled
1002194	14-Dec-23	PACIFIC PARTS & CONTROLS INC	4,480.97	IRWD Wells Fargo ACH	Reconciled
1002195	14-Dec-23	RAM AIR ENGINEERING INC	56,693.29	IRWD Wells Fargo ACH	Cleared
1002196	14-Dec-23	RED WING SHOE STORE	1,179.60	IRWD Wells Fargo ACH	Reconciled
1002197	14-Dec-23	RINCON TRUCK CENTER INC.	685.71	IRWD Wells Fargo ACH	Reconciled
1002198	14-Dec-23	TETRA TECH, INC	8,830.00	IRWD Wells Fargo ACH	Reconciled
1002199	14-Dec-23	VSS SALES INC	42,455.41	IRWD Wells Fargo ACH	Cleared
1002200	14-Dec-23	WEST COAST SAFETY SUPPLY INC	1,842.49	IRWD Wells Fargo ACH	Reconciled
1002251	21-Dec-23	AECOM TECHNICAL SERVICES, INC.	931,977.15	IRWD Wells Fargo ACH	Cleared
1002252	21-Dec-23	ALSTON & BIRD LLP	8,501.62	IRWD Wells Fargo ACH	Reconciled
1002253	21-Dec-23	AMAZON CAPITAL SERVICES, INC.	263.45	IRWD Wells Fargo ACH	Reconciled
1002254	21-Dec-23	APPLIED ENGINEERING CONCEPTS	4,680.00	IRWD Wells Fargo ACH	Reconciled
1002255	21-Dec-23	CALIFORNIA BARRICADE RENTAL, INC.	50,473.81	IRWD Wells Fargo ACH	Reconciled
1002256	21-Dec-23	CAROLLO ENGINEERS, INC	34,568.85	IRWD Wells Fargo ACH	Reconciled
1002257	21-Dec-23	CIMARRON ENERGY, INC	1,500.00	IRWD Wells Fargo ACH	Reconciled
1002258	21-Dec-23	COASTAL OCCUPATIONAL MEDICAL GROUP, INC.	240.00	IRWD Wells Fargo ACH	Reconciled
1002259	21-Dec-23	COLONIAL LIFE & ACCIDENT INSURANCE CO.	652.98	IRWD Wells Fargo ACH	Reconciled
1002260	21-Dec-23	COTTONS POINT DESIGN, INC.	1,734.78	IRWD Wells Fargo ACH	Reconciled
1002261	21-Dec-23	DELTA DENTAL OF CALIFORNIA	44,408.02	IRWD Wells Fargo ACH	Reconciled
1002262	21-Dec-23	DRAKE TRAFFIC CONTROL SERVICES INC	6,638.14	IRWD Wells Fargo ACH	Reconciled
1002263	21-Dec-23	EHS INTERNATIONAL, INC	3,340.00	IRWD Wells Fargo ACH	Reconciled
1002264	21-Dec-23	FIDELITY SECURITY LIFE INSURANCE COMPANY	7,912.89	IRWD Wells Fargo ACH	Reconciled
1002265	21-Dec-23	FOUGHT, CYNTHIA J.	755.70	IRWD Wells Fargo ACH	Reconciled
1002266	21-Dec-23	GEOSYNTEC CONSULTANTS, INC.	916.25	IRWD Wells Fargo ACH	Reconciled
1002267	21-Dec-23	GM SAGER CONSTRUCTION CO, INC.	105,976.00	IRWD Wells Fargo ACH	Cleared
1002268	21-Dec-23	HELPMATES STAFFING SERVICES LLC	1,420.00	IRWD Wells Fargo ACH	Reconciled
1002269	21-Dec-23	HILL BROTHERS CHEMICAL COMPANY	42,009.56	IRWD Wells Fargo ACH	Reconciled
1002270	21-Dec-23	JCI JONES CHEMICALS INC	12,710.50	IRWD Wells Fargo ACH	Reconciled
1002271	21-Dec-23	JOHN MICHAEL COVAS	217.50	IRWD Wells Fargo ACH	Reconciled
1002272	21-Dec-23	KRONICK MOSKOVITZ TIEDEMANN & GIRARD	12,317.00	IRWD Wells Fargo ACH	Reconciled
1002273	21-Dec-23	LABWORKS, LLC	5,000.00	IRWD Wells Fargo ACH	Reconciled
1002274	21-Dec-23	LANDCARE HOLDINGS, INC.	25,011.10	IRWD Wells Fargo ACH	Reconciled
1002275	21-Dec-23	LCS TECHNOLOGIES, INC.	1,485.00	IRWD Wells Fargo ACH	Reconciled
1002276	21-Dec-23	MBF CONSULTING, INC.	13,376.00	IRWD Wells Fargo ACH	Reconciled
1002277	21-Dec-23	MUNICIPAL WATER DISTRICT OF ORANGE COUNTY	134,837.76	IRWD Wells Fargo ACH	Cleared
1002278	21-Dec-23	OLIN CORPORATION	123,977.15	IRWD Wells Fargo ACH	Cleared
1002279	21-Dec-23	ORANGE COUNTY AUTO PARTS CO	753.50	IRWD Wells Fargo ACH	Reconciled
1002280	21-Dec-23	PACIFIC PARTS & CONTROLS INC	2,911.12	IRWD Wells Fargo ACH	Reconciled
1002281	21-Dec-23	PROBOLSKY RESEARCH LLC	18,750.00	IRWD Wells Fargo ACH	Reconciled
1002282	21-Dec-23	PUBLIC RISK, INNOVATION, SOLUTIONS, AND MANAGEMENT	55,093.00	IRWD Wells Fargo ACH	Reconciled
1002283	21-Dec-23	REACH EMPLOYEE ASSISTANCE INC	1,066.80	IRWD Wells Fargo ACH	Reconciled
1002284	21-Dec-23	RELIANCE STANDARD LIFE INSURANCE COMPANY	29,516.37	IRWD Wells Fargo ACH	Reconciled
1002285	21-Dec-23	RINCON TRUCK CENTER INC.	1,767.99	IRWD Wells Fargo ACH	Reconciled
1002286	21-Dec-23	RLG ENTERPRISES, INC	370.96	IRWD Wells Fargo ACH	Reconciled
1002287	21-Dec-23	SADDLEBACK SURVEYS, INC.	7,950.00	IRWD Wells Fargo ACH	Reconciled
1002288	21-Dec-23	SUKLE ADVERTISING INC.	8,746.10	IRWD Wells Fargo ACH	Reconciled
1002289	21-Dec-23	SUNSHINE SUPPLY COMPANY, INC.	2,757.80	IRWD Wells Fargo ACH	Reconciled
1002290	21-Dec-23	TOTAL RESOURCE MANAGEMENT, INC	1,168.00	IRWD Wells Fargo ACH	Reconciled
1002291	21-Dec-23	VSS SALES INC	16,318.14	IRWD Wells Fargo ACH	Reconciled
1002292	21-Dec-23	WATER TREATMENT CHEMICALS INC	19,890.00	IRWD Wells Fargo ACH	Reconciled
1002293	21-Dec-23	WATERSMART SOFTWARE INC	16,402.87	IRWD Wells Fargo ACH	Reconciled
1002294	21-Dec-23	WOODARD & CURRAN INC	2,785.00	IRWD Wells Fargo ACH	Reconciled
<b>SUB-TOTAL IRWD WELLS FARGO ACH DISBURSEMENTS</b>			<b>4,164,308.79</b>		

1002157	7-Dec-23	Cervantes, Angel	2,302.19	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002158	7-Dec-23	Drzymkowski, Michele A (Michele)	57.13	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002159	7-Dec-23	Giatpaiboon, Scott	15.72	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002160	7-Dec-23	Jakubas-Pufal, Dorota	24.89	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002161	7-Dec-23	Kanoff, Debbie G (Debbie)	486.08	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002162	7-Dec-23	Lu, Michael	5.24	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002163	7-Dec-23	Nash, Joel	50.46	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002164	7-Dec-23	Perez, David M (David)	319.00	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002165	7-Dec-23	Perry, Guy M (Matthew)	193.00	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002166	7-Dec-23	Ramirez, Eric	43.62	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002167	7-Dec-23	Rice, Tera L	2,486.39	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002168	7-Dec-23	Srader, Lisa	102.40	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002169	7-Dec-23	Tettmer, John M (Mark)	18.00	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002170	7-Dec-23	Teyechea, Cresta (Chrissy)	727.30	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002171	7-Dec-23	Vu, Johnny T (Johnny)	18.34	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002201	14-Dec-23	Anderson, Winston	70.10	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002202	14-Dec-23	Cariker, Cody J (Cody)	13.76	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002203	14-Dec-23	Chaney, Michael A (Michael)	20.31	IRWD Wells Fargo ACH for Expense Reports	Reconciled

**IRVINE RANCH WATER DISTRICT  
AP DISBURSEMENTS AND VOIDS FOR DECEMBER 2023**

CHECK OR ELECTRONIC #	PAYMENT DATE	SUPPLIERS	PAYMENT AMOUNT	PAYMENT METHOD	STATUS
1002204	14-Dec-23	Coleman, Nicholas (Nick)	90.26	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002205	14-Dec-23	Compton, Christine A	289.01	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002206	14-Dec-23	Davis, Jennifer R (Jennifer)	636.74	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002207	14-Dec-23	Dowling, James K Jr (James)	140.79	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002208	14-Dec-23	Drew, Michael A	190.00	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002209	14-Dec-23	Frost, Garrick A (Garrick)	37.20	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002210	14-Dec-23	Garcia, Jose (Joe)	141.00	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002211	14-Dec-23	Gates, Laura	17.16	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002212	14-Dec-23	Grier, Corey	63.99	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002213	14-Dec-23	Hansen, Casey	26.20	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002214	14-Dec-23	Henton-Hall, Andrea T	39.30	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002215	14-Dec-23	Huff, Cody	221.52	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002216	14-Dec-23	Koenig, Timothy (Tim)	16.38	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002217	14-Dec-23	Kulick, Michael	77.42	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002218	14-Dec-23	Ludwig, Jason	188.64	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002219	14-Dec-23	Mendoza, Oliver	80.75	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002220	14-Dec-23	Pham, Amie	125.00	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002221	14-Dec-23	Rawlins, Othniel Jr.	58.95	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002222	14-Dec-23	Rios, Elias L	32.75	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002223	14-Dec-23	Rodriguez, Jimmy	63.55	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002224	14-Dec-23	Rutherford, Allan	221.00	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002225	14-Dec-23	Santos, Lina	17.55	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002226	14-Dec-23	Tetterer, John M (Mark)	164.26	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002227	14-Dec-23	Valencia, Reynaldo (Rey)	28.75	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002228	14-Dec-23	Villella, Aaren	224.14	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002229	14-Dec-23	Williams, Warren (Randy)	706.83	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002230	21-Dec-23	Bronstein, Louis (Lou)	76.44	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002231	21-Dec-23	Chaves, Romuel-Dave E (RD)	2,681.32	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002232	21-Dec-23	Contreras, Joaquin	27.90	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002233	21-Dec-23	Daniel, Matthew (Matthew)	147.04	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002234	21-Dec-23	Jordan, Dawn M (Dawn)	26.72	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002235	21-Dec-23	Kanoff, Debbie G (Debbie)	265.17	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002236	21-Dec-23	Lin, Eileen (Eileen)	280.00	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002237	21-Dec-23	Lopez, Miguel	22.01	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002238	21-Dec-23	Madding, Joshua	93.14	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002239	21-Dec-23	Matuska, Ryan Scott	1,635.00	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002240	21-Dec-23	McBride, Tiffany Rose (Tiffany)	2,065.11	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002241	21-Dec-23	Mendoza, Evelyn	98.25	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002242	21-Dec-23	Perez, David M (David)	30.66	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002244	21-Dec-23	Shapiro, Matthew	56.99	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002245	21-Dec-23	Sosa, Ives (Ives)	100.00	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002246	21-Dec-23	Trigg, Tyler	95.49	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002247	21-Dec-23	Valencia, Reynaldo (Rey)	65.07	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002248	21-Dec-23	Vu, Johnny T (Johnny)	18.34	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002249	21-Dec-23	Wang, Gabrielle	78.97	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002250	21-Dec-23	Zamora, Victor A	291.07	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002295	28-Dec-23	Cortez, Brian	55.68	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002296	28-Dec-23	Engstrom, Scott	78.60	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002297	28-Dec-23	Garcia, Juan	125.00	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002298	28-Dec-23	Koenig, Timothy (Tim)	16.38	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002299	28-Dec-23	Ludwig, Jason	62.88	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002301	28-Dec-23	Schreck, Jeffrey A (Jeffrey)	48.72	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002302	28-Dec-23	Steere, Kim	237.37	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002303	28-Dec-23	Vega Beltran, Benjamin Vega	85.94	IRWD Wells Fargo ACH for Expense Reports	Reconciled
1002304	28-Dec-23	Villalta, Jonathan	235.00	IRWD Wells Fargo ACH for Expense Reports	Reconciled
<b>SUB-TOTAL IRWD WELLS FARGO ACH FOR EXPENSE REPORTS</b>			<b>19,953.33</b>		
2000526	7-Dec-23	ACCUSOURCE, INC.	1,005.92	IRWD Wells Fargo PC	Reconciled
2000527	7-Dec-23	CAPTIVE AUDIENCE MARKETING INC.	79.00	IRWD Wells Fargo PC	Reconciled
2000528	7-Dec-23	EZKEM CORPORATION	210.00	IRWD Wells Fargo PC	Reconciled
2000529	7-Dec-23	FLEET SOLUTIONS LLC	5,239.26	IRWD Wells Fargo PC	Reconciled
2000530	7-Dec-23	IDEXX DISTRIBUTION, INC	5,150.45	IRWD Wells Fargo PC	Reconciled
2000531	7-Dec-23	PARKHOUSE TIRE INC	4,556.04	IRWD Wells Fargo PC	Reconciled
2000532	7-Dec-23	THOMPSON & PHIPPS INC	6,640.14	IRWD Wells Fargo PC	Reconciled
2000533	7-Dec-23	WECK LABORATORIES INC	360.00	IRWD Wells Fargo PC	Reconciled
2000534	14-Dec-23	CULLIGAN OF SANTA ANA	26,510.00	IRWD Wells Fargo PC	Reconciled
2000535	14-Dec-23	FERGUSON ENTERPRISES, LLC	40,313.41	IRWD Wells Fargo PC	Reconciled
2000536	14-Dec-23	HARRINGTON INDUSTRIAL PLASTICS LLC	1,290.29	IRWD Wells Fargo PC	Reconciled
2000537	14-Dec-23	NOREX, INC.	4,500.00	IRWD Wells Fargo PC	Reconciled
2000538	14-Dec-23	POLYDYNE INC	74,520.00	IRWD Wells Fargo PC	Reconciled
2000539	14-Dec-23	RESTEK CORPORATION	780.85	IRWD Wells Fargo PC	Reconciled
2000540	14-Dec-23	THOMPSON & PHIPPS INC	2,442.45	IRWD Wells Fargo PC	Reconciled
2000541	14-Dec-23	TILLEY CRANE INSPECTION SERVICE CO., INC.	2,800.00	IRWD Wells Fargo PC	Reconciled
2000542	14-Dec-23	UCT, LLC	1,609.78	IRWD Wells Fargo PC	Reconciled
2000543	14-Dec-23	UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA	5,606.81	IRWD Wells Fargo PC	Reconciled

**IRVINE RANCH WATER DISTRICT  
AP DISBURSEMENTS AND VOIDS FOR DECEMBER 2023**

CHECK OR ELECTRONIC #	PAYMENT DATE	SUPPLIERS	PAYMENT AMOUNT	PAYMENT METHOD	STATUS
2000544	14-Dec-23	WECK LABORATORIES INC	3,280.00	IRWD Wells Fargo PC	Reconciled
2000545	21-Dec-23	HARRINGTON INDUSTRIAL PLASTICS LLC	19,884.92	IRWD Wells Fargo PC	Reconciled
2000546	21-Dec-23	IDEXX DISTRIBUTION, INC	3,609.63	IRWD Wells Fargo PC	Reconciled
2000547	21-Dec-23	INNOVATIVE MACHINE TOOL REPAIR LLC	1,627.74	IRWD Wells Fargo PC	Reconciled
2000548	21-Dec-23	PARKHOUSE TIRE INC	116.17	IRWD Wells Fargo PC	Reconciled
2000549	21-Dec-23	QUALITY ENVIRONMENTAL CONTAINERS	12,322.13	IRWD Wells Fargo PC	Reconciled
2000550	21-Dec-23	THOMPSON & PHIPPS INC	3,251.77	IRWD Wells Fargo PC	Reconciled
<b>SUB-TOTAL IRWD WELLS FARGO PC</b>			<b>227,706.76</b>		
100070	12-Dec-23	BANK OF NEW YORK MELLON TRUST COMPANY NA	58,016.30	IRWD Wells Fargo Wire	Negotiable
100071	12-Dec-23	BANK OF NEW YORK MELLON TRUST COMPANY NA	82,880.43	IRWD Wells Fargo Wire	Negotiable
100072	13-Dec-23	U.S. BANK NATIONAL ASSOCIATION	64,356.15	IRWD Wells Fargo Wire	Negotiable
100073	13-Dec-23	BANK OF AMERICA	60,226.05	IRWD Wells Fargo Wire	Negotiable
100074	13-Dec-23	BANK OF NEW YORK MELLON TRUST COMPANY NA	194,012.38	IRWD Wells Fargo Wire	Negotiable
100075	13-Dec-23	U.S. BANK NATIONAL ASSOCIATION	30,568.65	IRWD Wells Fargo Wire	Negotiable
100076	13-Dec-23	SUMITOMO MITSUI BANKING CORPORATION	64,975.07	IRWD Wells Fargo Wire	Negotiable
100077	19-Dec-23	BOWMAN DESIGN, INC.	35,328.50	IRWD Wells Fargo Wire	Negotiable
100078	20-Dec-23	BANK OF NEW YORK MELLON TRUST COMPANY NA	26,895.49	IRWD Wells Fargo Wire	Negotiable
100079	28-Dec-23	BANK OF NEW YORK MELLON TRUST COMPANY NA	9,890.11	IRWD Wells Fargo Wire	Negotiable
100080	28-Dec-23	BANK OF NEW YORK MELLON TRUST COMPANY NA	15,539.62	IRWD Wells Fargo Wire	Negotiable
<b>SUB-TOTAL IRWD WELLS FARGO WIRE DISBURSEMENTS</b>			<b>642,688.75</b>		
15720	5-Dec-23	CHARD SNYDER & ASSOCIATES, INC.	22,953.12	IRWD Wire	Negotiable
15721	5-Dec-23	CHARD SNYDER & ASSOCIATES, INC.	1,168.71	IRWD Wire	Negotiable
15722	6-Dec-23	YORK RISK SERVICES GROUP, INC.	3,037.01	IRWD Wire	Negotiable
15723	7-Dec-23	INTERNAL REVENUE SERVICE	304,283.34	IRWD Wire	Negotiable
15724	7-Dec-23	EMPLOYMENT DEVELOPMENT DEPARTMENT	18,162.00	IRWD Wire	Negotiable
15725	7-Dec-23	FRANCHISE TAX BOARD	96,330.80	IRWD Wire	Negotiable
15726	7-Dec-23	EMPLOYMENT DEVELOPMENT DEPARTMENT	13,442.84	IRWD Wire	Negotiable
15727	7-Dec-23	CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES	3,499.33	IRWD Wire	Negotiable
15728	7-Dec-23	EMPOWER RETIREMENT, LLC	193,431.42	IRWD Wire	Negotiable
15729	11-Dec-23	CALPERS	639,910.78	IRWD Wire	Negotiable
15730	11-Dec-23	CALPERS	4,072.19	IRWD Wire	Negotiable
15731	11-Dec-23	CALPERS	299,528.17	IRWD Wire	Negotiable
15732	11-Dec-23	CHARD SNYDER & ASSOCIATES, INC.	1,442.35	IRWD Wire	Negotiable
15733	11-Dec-23	CHARD SNYDER & ASSOCIATES, INC.	8,532.65	IRWD Wire	Negotiable
15734	11-Dec-23	CHARD SNYDER & ASSOCIATES, INC.	3,474.37	IRWD Wire	Negotiable
15735	12-Dec-23	CALPERS	1,026.22	IRWD Wire	Negotiable
15736	12-Dec-23	YORK RISK SERVICES GROUP, INC.	2,361.86	IRWD Wire	Negotiable
15737	19-Dec-23	CHARD SNYDER & ASSOCIATES, INC.	3,108.16	IRWD Wire	Negotiable
15738	19-Dec-23	CHARD SNYDER & ASSOCIATES, INC.	5,544.37	IRWD Wire	Negotiable
15739	19-Dec-23	YORK RISK SERVICES GROUP, INC.	13,135.08	IRWD Wire	Negotiable
15740	19-Dec-23	INTERNAL REVENUE SERVICE	285,802.20	IRWD Wire	Negotiable
15741	19-Dec-23	FRANCHISE TAX BOARD	93,823.68	IRWD Wire	Negotiable
15742	19-Dec-23	EMPLOYMENT DEVELOPMENT DEPARTMENT	12,702.35	IRWD Wire	Negotiable
15743	19-Dec-23	CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES	3,499.33	IRWD Wire	Negotiable
15744	19-Dec-23	EMPOWER RETIREMENT, LLC	176,938.03	IRWD Wire	Negotiable
15745	20-Dec-23	CALPERS	298,551.26	IRWD Wire	Negotiable
15746	20-Dec-23	CALPERS	4,072.19	IRWD Wire	Negotiable
15747	27-Dec-23	CALPERS	649,162.87	IRWD Wire	Negotiable
15748	27-Dec-23	CHARD SNYDER & ASSOCIATES, INC.	7,230.01	IRWD Wire	Negotiable
15749	27-Dec-23	CHARD SNYDER & ASSOCIATES, INC.	6,100.04	IRWD Wire	Negotiable
15750	27-Dec-23	YORK RISK SERVICES GROUP, INC.	369.60	IRWD Wire	Negotiable
15751	27-Dec-23	BANK OF AMERICA MERRILL LYNCH	92,667.68	IRWD Wire	Negotiable
<b>SUB-TOTAL IRWD BOFA WIRE DISBURSEMENTS</b>			<b>3,269,364.01</b>		
<b>SUB-TOTAL BOFA AND WELLS FARGO CHECK AND ELECTRONIC DISBURSEMENTS</b>			<b>14,352,418.44</b>		
439843	7-Dec-23	ABDELAZIZ, SAHAR S	33.15	IRWD Wells Fargo Check No Print	Voided
439939	7-Dec-23	TEXTILE PRODUCTS	113.51	IRWD Wells Fargo Check No Print	Voided
439950	7-Dec-23	VENTURE ONE HOLDINGS, LLC	66.34	IRWD Wells Fargo Check No Print	Voided
440209	21-Dec-23	TECHNOLOGY INTEGRATION GROUP	792.00	IRWD Wells Fargo Check No Print	Voided
440224	21-Dec-23	WIENHOFF & ASSOCIATES, INC	70.00	IRWD Wells Fargo Check No Print	Voided
1002243	21-Dec-23	Ramirez, Miguel	49.26	IRWD Wells Fargo ACH for Expense Reports	Voided
1002300	28-Dec-23	Rigby, Lori Ann	61.57	IRWD Wells Fargo ACH for Expense Reports	Voided
<b>SUB-TOTAL BOFA AND WELLS FARGO CHECK AND ELECTRONIC ISSUED AND VOIDED IN DEC 2023</b>			<b>1,185.83</b>		
<b>TOTAL</b>			<b>14,353,604.27</b>		

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Exhibit "E"

MONTHLY SUMMARY OF PAYROLL ACH PAYMENTS

December  
2023

	AMOUNT	VENDOR	PURPOSE
12/1/2023	1,266,990.36	BANK OF AMERICA	ACH Payments for Payroll
12/15/2023	1,269,839.91	BANK OF AMERICA	ACH Payments for Payroll
12/29/2023	1,225,358.88	BANK OF AMERICA	ACH Payments for Payroll
	<u><b>\$3,762,189.15</b></u>		

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Exhibit "F"


**IRWD Gov Code 53065.5 Disclosure Report**

Payment or Reimbursements for Individual charges of \$100 or more per transaction for services or product received.

01-DEC-23 to 31-DEC-23

NAME	CHECK NO.	CHECK DATE	AMOUNT	ITEM DESCRIPTION	EXPENSE JUSTIFICATION
Compton, Christine	1002205	14-Dec-23	144.62	Mileage	2023 WateReuse Annual Conference, Indian Wells, CA - November 5-6, 2023
Davis, Jennifer	1002206	14-Dec-23	234.81	Lodging	GFOA Debt Management Best Practices Conf., Chicago, IL - November 7, 2023
Davis, Jennifer	1002206	14-Dec-23	234.81	Lodging	GFOA Debt Management Best Practices Conf., Chicago, IL - November 8, 2023
Drew, Michael	1002208	14-Dec-23	100.00	Certification	SWRCB Water Distribution Grade III
Garcia, Jose (Joe)	1002210	14-Dec-23	105.00	Certification	SWRCB Water Treatment Grade IV
Garcia, Juan	1002297	28-Dec-23	125.00	Certification	Select Certified Irrigation Association
Huff, Cody	1002215	14-Dec-23	221.52	Mileage	Overtime shift coverage Area 1 on November 25, 2023
Kanoff, Debbie	1002161	7-Dec-23	141.34	Other(Misc)	Toastmasters Mtg - November 8, 2023
Kanoff, Debbie	1002161	7-Dec-23	106.67	Other(Misc)	Toastmasters Mtg - November 15, 2023
Kanoff, Debbie	1002161	7-Dec-23	140.94	Other(Misc)	Toastmasters Mtg - November 29, 2023
Kanoff, Debbie	1002235	21-Dec-23	148.09	Other(Misc)	Toastmasters Mtg - December 6, 2023
Lin, Eileen	1002236	21-Dec-23	280.00	Other(Misc)	CPA License renewal
Matuska, Ryan	1002239	21-Dec-23	985.00	Registration Fees	Oracle Conference, Austin, TX - March 24-28, 2024
Matuska, Ryan	1002239	21-Dec-23	650.00	Registration Fees	Oracle Conference, Austin, TX - March 24-28, 2024
McBride, Tiffany	1002240	21-Dec-23	430.11	Airfare	Oracle Conference, Austin, TX - March 24-28, 2024
McBride, Tiffany	1002240	21-Dec-23	650.00	Registration Fees	Oracle Conference, Austin, TX - March 24-28, 2024
McBride, Tiffany	1002240	21-Dec-23	985.00	Registration Fees	Oracle Conference, Austin, TX - March 24-28, 2024
Perez, David	1002164	7-Dec-23	221.00	Membership	CWEA membership
Perry, Guy (Matthew)	1002165	7-Dec-23	193.00	Certification	ASE Certificate renewal
Pham, Amie	1002220	14-Dec-23	125.00	Other(Misc)	Safety shoe allowance
Rutherford, Allan	1002224	14-Dec-23	221.00	Membership	CWEA membership
Sosa, Ives	1002245	21-Dec-23	100.00	Certification	Cross Connection Specialist certification
Srader, Lisa	1002168	7-Dec-23	102.40	Other(Misc)	Provided lunch for Reliability Manager
Steere, Kim	1002302	28-Dec-23	104.80	Mileage	2023 PSHRA Annual Conference, San Diego, CA - October 3-4, 2023
Tettemer, John (Mark)	1002226	14-Dec-23	146.72	Mileage	2023 WateReuse Annual Conference, Indian Wells, CA - November 5-6, 2023
Villalta, Jonathan	1002304	28-Dec-23	105.00	Certification	SWRCB Water Distribution Grade IV certification
Villalta, Jonathan	1002304	28-Dec-23	130.00	Certification	SWRCB Water Distribution Grade IV exam
Villella, Aaren	1002228	14-Dec-23	159.95	Other(Misc)	Safety shoe allowance
Williams, Randy	1002229	14-Dec-23	192.00	Lodging	Gartner IT Infrastructure Conference, Las Vegas, NV - December 4, 2023
Williams, Randy	1002229	14-Dec-23	192.00	Lodging	Gartner IT Infrastructure Conference, Las Vegas, NV - December 5, 2023
Williams, Randy	1002229	14-Dec-23	195.97	Lodging	Gartner IT Infrastructure Conference, Las Vegas, NV - December 6, 2023
Zamora, Victor	1002250	21-Dec-23	291.07	Other(Misc)	Orange County Farm Supply for ShadeTree Nursery
<b>Total Amount:</b>			<b>\$8,162.82</b>		

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January 22, 2024  
Prepared by: L. Srader  
Submitted by: T. Mitcham  
Approved by: Paul A. Cook 

CONSENT CALENDAR

ADOPTION OF REVISED IRWD SCHEDULE OF POSITIONS  
AND SALARY RATE RANGES

SUMMARY:

A periodic review of current budgeted positions has determined the need for additional adjustments to IRWD’s Schedule of Positions and Salary Rate Ranges. Staff recommends the Board adopt a resolution superseding Resolution No. 2023-16 (adopted on November 27, 2023) and adopt a revised Schedule of Positions and Salary Rate Ranges.

BACKGROUND:

Staff recommends the Board adopt a revised Schedule of Positions and Salary Rate Ranges to incorporate the following changes:

- Upgrade the Manager of Strategic Planning and Analysis (U21.E) to Director of Financial Planning and Data Analytics (U27.E);
- Retitle Financial Analyst (U13.E) to Senior Financial Analyst (U13.E);
- Retitle Senior Water Efficiency Analyst (U13.E) to Senior Data Analyst (U13.E); and
- Add new position Data Analyst (U10.E)

While the changes to the positions and salary grades listed above are within the General Manager’s authority, CalPERS requires that each employment position and pay rate be identified in a publicly available pay schedule (CalPERS Regulations, 2 CCR 570.5). Provided as Exhibit “A” is the proposed resolution for adoption with the revised Schedule of Positions and Salary Rate Ranges effective January 22, 2024.

FISCAL IMPACTS:

The fiscal impact of these changes were included in the Fiscal Year 2023-2024 Operating Budget approved by the Board on April 24, 2023.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

COMMITTEE STATUS:

This item is ministerial in nature and was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD APPROVE THE REVISED SALARY GRADE SCHEDULE AND ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2024 – 1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
IRVINE RANCH WATER DISTRICT SUPERSEDING  
RESOLUTION NO. 2023-16 AND ADOPTING A REVISED  
SCHEDULE OF POSITIONS AND SALARY RATE RANGES  
FOR THE GENERAL UNIT, NON-EXEMPT SUPERVISOR  
UNIT, AND FOR MANAGERS, EXEMPT SUPERVISORS,  
CONFIDENTIAL AND EXEMPT EMPLOYEES

LIST OF EXHIBITS:

Exhibit “A” – Resolution of the Board of Directors of the Irvine Ranch Water District adopting a new Schedule of Positions and Salary Rate Ranges and Salary Grade Schedule

EXHIBIT "A"

RESOLUTION NO. 2024 –1

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT, SUPERSEDING  
RESOLUTION NO. 2023-16 AND ADOPTING A REVISED  
SCHEDULE OF POSITIONS AND SALARY RATE  
RANGES

The Board of Directors of Irvine Ranch Water District, by adoption of Resolution No. 2023-16 on November 27, 2023, established a Schedule of Positions and Salary Rate Ranges of the Irvine Ranch Water District; and

The Board of Directors of Irvine Ranch Water District have reviewed the Schedule of Positions and Salary Rate Ranges and desires to make revisions thereto.

The Board of Directors of Irvine Ranch Water District does hereby resolve, determine, and order as follows:

Section 1. That the Schedule of Positions and Salary Rate Ranges adopted by Resolution No. 2023-16 on November 27, 2023, is hereby superseded effective January 22, 2024.

Section 2. That the revised Schedule of Positions and Salary Rate Ranges for the Irvine Ranch Water District as set forth in Exhibit "A" attached to this Resolution, and is effective January 22, 2024, for all classifications, is hereby approved and adopted.

ADOPTED, SIGNED and APPROVED on January 22, 2024.

\_\_\_\_\_  
President, IRVINE RANCH WATER DISTRICT  
and of the Board of Directors thereof

\_\_\_\_\_  
Secretary, IRVINE RANCH WATER DISTRICT  
and of the Board of Directors thereof

APPROVED AS TO FORM:

Hanson Bridgett LLP

By: \_\_\_\_\_  
District Counsel

**IRVINE RANCH WATER DISTRICT**  
**MONTHLY SALARY GRADE SCHEDULE**  
**Managers, Exempt Supervisors, Confidential & Exempt Employees**  
**Effective January 22, 2024**

	MINIMUM	MAXIMUM
<b><u>NON-EXEMPT</u></b>		
Salary Grade U1.N	\$3,545	\$4,614
Salary Grade U2.N	\$3,621	\$4,742
Salary Grade U3.N	\$3,697	\$4,872
Salary Grade U4.N	\$3,767	\$5,015
Salary Grade U5.N	\$3,853	\$5,153
Salary Grade U6.N	\$3,928	\$5,301
Salary Grade U7.N	\$4,007	\$5,448
Salary Grade U8.N	\$4,094	\$5,604
Salary Grade U9.N	\$4,170	\$5,760
Salary Grade U10.N	\$4,257	\$5,919
Salary Grade U11.N	\$4,342	\$6,070
Salary Grade U12.N	\$4,425	\$6,247
Salary Grade U13.N	\$4,510	\$6,425
Salary Grade U14.N	\$4,611	\$6,609
Salary Grade U15.N	\$4,709	\$6,784
Salary Grade U16.N	\$4,822	\$6,973
Salary Grade U17.N	\$4,923	\$7,148
Salary Grade U18.N	\$5,032	\$7,339
Salary Grade U19.N	\$5,146	\$7,524
Safety Assistant		
Salary Grade U20.N	\$5,283	\$7,769

	<b>MINIMUM</b>	<b>MAXIMUM</b>
Salary Grade U21.N	\$5,434	\$8,003
Salary Grade U22.N	\$5,581	\$8,256
Executive Secretary Human Resources Assistant		
Salary Grade U23.N	\$5,730	\$8,505
Salary Grade U24.N	\$5,892	\$8,769
Salary Grade U25.N	\$6,048	\$9,038
Human Resources Technician		
Salary Grade U26.N	\$6,235	\$9,310
Executive Assistant		
Salary Grade U27.N	\$6,412	\$9,582
Salary Grade U28.N	\$6,601	\$9,864
Salary Grade U29.N	\$6,800	\$10,152
Safety & Security Specialist Safety Specialist Senior Executive Assistant		
Salary Grade U30.N	\$7,004	\$10,455
Salary Grade U31.N	\$7,211	\$10,767
Payroll Administrator User Support Specialist		
Salary Grade U32.N	\$7,419	\$11,086
Salary Grade U33.N	\$7,635	\$11,409
Salary Grade U34.N	\$7,862	\$11,724
Salary Grade U35.N	\$8,100	\$12,078
Network Administrator User Support Administrator		

	MINIMUM	MAXIMUM
<b>EXEMPT</b>		
Salary Grade U1.E	\$5,701	\$7,691
Salary Grade U2.E	\$5,892	\$7,989
Salary Grade U3.E	\$6,080	\$8,286
Salary Grade U4.E	\$6,270	\$8,605
Salary Grade U5.E	\$6,461	\$8,923
Salary Grade U6.E	\$6,683	\$9,269
Salary Grade U7.E	\$6,896	\$9,613
Salary Grade U8.E	\$7,122	\$9,988
Salary Grade U9.E	\$7,340	\$10,355
Salary Grade U10.E	\$7,583	\$10,746
Asset Systems Analyst Assistant Engineer Data Analyst Digital Communications Specialist Management Analyst Risk Analyst		
Salary Grade U11.E	\$7,827	\$11,143
Customer Service Supervisor Human Resources Analyst Purchasing Supervisor		
Salary Grade U12.E	\$8,080	\$11,572
Senior Accountant		
Salary Grade U13.E	\$8,341	\$11,990
Communications Analyst/Deputy PIO Environmental Compliance Analyst GIS Supervisor Legislative Aide Legislative Analyst Regulatory Compliance Administrator Right of Way Agent Senior Data Analyst Senior Financial Analyst Senior Human Resources Analyst Treasury Analyst Water Resources Planner		



	MINIMUM	MAXIMUM
Salary Grade U14.E	\$8,611	\$12,453
Accounting Supervisor Associate Engineer District Secretary QA/QC Compliance Administrator Water Efficiency Supervisor		
Salary Grade U15.E	\$8,886	\$12,920
Applications Analyst Automation Programmer Senior Legislative Aide Senior Network Administrator Senior Regulatory Compliance Administrator Senior SCADA Network Administrator Senior User Support Administrator		
Salary Grade U16.E	\$9,183	\$13,407
Laboratory Supervisor		
Salary Grade U17.E	\$9,475	\$13,901
Construction Inspection Assistant Manager Engineer Facilities/Fleet Manager Senior Energy and Water Resources Planner		
Salary Grade U18.E	\$9,783	\$14,429
Collection Systems Manager Communications Manager Customer Service Manager Cybersecurity Analyst External Affairs Manager Field Services Manager Purchasing Manager Safety Manager Senior Applications Analyst Senior Applications Developer Senior Database Administrator Water Efficiency Manager		
Salary Grade U19.E	\$10,092	\$14,962
Construction Services Manager Electrical and Instrumentation Manager Manager of Risk & Contracts Administration Mechanical Services Manager Natural Resources Manager Recycled Water Development Manager Regulatory Compliance Manager Treasury Manager Water Quality Manager		

	<b>MINIMUM</b>	<b>MAXIMUM</b>
Salary Grade U20.E	\$10,407	\$15,518
Senior Engineer User Support Manager Water Resources Manager		
Salary Grade U21.E	\$10,724	\$16,079
Controller Manager of Biosolids & Energy Recovery Operations Operations Manager		
Salary Grade U22.E	\$11,068	\$16,675
Automation Manager Applications Manager Network and Cybersecurity Manager Reliability Manager		
Salary Grade U23.E	\$11,418	\$17,281
Salary Grade U24.E	\$11,728	\$17,977
Engineering Manager		
Salary Grade U25.E	\$12,091	\$18,655
Salary Grade U26.E	\$12,643	\$19,641
Salary Grade U27.E	\$13,221	\$20,683
Director of Field Operations Director of Human Resources Director of Information Services Director of Maintenance Director of Strategic Communications & Advocacy/Dep. General Counsel Director of Water and Recycling Operations Director of Safety & Security Director of Water Quality & Regulatory Compliance Director of Financial Planning and Data Analytics Director of Water Resources Director of Treasury		
Salary Grade U28.E	\$13,828	\$21,772
Salary Grade U29.E	\$14,460	\$22,924

	<b>MINIMUM</b>	<b>MAXIMUM</b>
Salary Grade U30.E	\$15,128	\$24,143
Executive Director of Finance Executive Director of Technical Services Executive Director of Operations Executive Director of Water Policy		
Salary Grade U31.E	\$15,880	\$25,511
Salary Grade U32.E	\$16,675	\$26,963
Salary Grade U33.E	\$17,506	\$28,494
Salary Grade U34.E	\$18,384	\$33,444
General Manager		

**IRVINE RANCH WATER DISTRICT**  
**MONTHLY SALARY GRADE SCHEDULE**  
**Non-Exempt Supervisors Unit**  
**Effective January 22, 2024**

	MINIMUM	MAXIMUM
<b><u>NON-EXEMPT</u></b>		
Salary Grade S26.N	\$6,235	\$9,310
Salary Grade S27.N	\$6,412	\$9,582
Salary Grade S28.N	\$6,601	\$9,864
Salary Grade S29.N	\$6,800	\$10,152
Salary Grade S30.N	\$7,004	\$10,454
Salary Grade S31.N	\$7,211	\$10,769
Salary Grade S32.N	\$7,419	\$11,088
Facilities Services Supervisor Fleet Supervisor		
Salary Grade S33.N	\$7,635	\$11,407
Cross Connection Supervisor Collection Systems Supervisor		
Salary Grade S34.N	\$7,862	\$11,724
Construction Inspection Supervisor Mechanical Services Supervisor Water Maintenance Supervisor		
Salary Grade S35.N	\$8,100	\$12,078
Water Monitoring Supervisor		
Salary Grade S36.N	8,611	12,452
Automation Supervisor Electrical & Instrumentation Supervisor Operations Supervisor		

**IRVINE RANCH WATER DISTRICT**  
**MONTHLY SALARY GRADE SCHEDULE**  
**General Employees Unit**  
**Effective January 22, 2024**

	MINIMUM	MAXIMUM
<b><u>NON-EXEMPT</u></b>		
Salary Grade 1.N	\$3,539	\$4,609
Salary Grade 2.N	\$3,614	\$4,732
Salary Grade 3.N	\$3,692	\$4,864
Salary Grade 4.N	\$3,760	\$5,006
Salary Grade 5.N	\$3,841	\$5,141
Salary Grade 6.N	\$3,921	\$5,290
Office Assistant		
Salary Grade 7.N	\$3,995	\$5,437
Mail Coordinator		
Salary Grade 8.N	\$4,085	\$5,597
Salary Grade 9.N	\$4,167	\$5,751
Salary Grade 10.N	\$4,248	\$5,905
Salary Grade 11.N	\$4,330	\$6,058
Material Control Clerk I Utility Worker		
Salary Grade 12.N	\$4,417	\$6,233
Salary Grade 13.N	\$4,500	\$6,415
Customer Service Specialist I		
Salary Grade 14.N	\$4,602	\$6,595
Salary Grade 15.N	\$4,699	\$6,769
Collection Systems Technician I Office Specialist		

	MINIMUM	MAXIMUM
Salary Grade 16.N	\$4,812	\$6,961
Accounting Clerk Metering Systems Technician I Water Maintenance Technician I		
Salary Grade 17.N	\$4,912	\$7,131
Customer Service Field Technician		
Salary Grade 18.N	\$5,020	\$7,325
Customer Service Specialist II Material Control Clerk II		
Salary Grade 19.N	\$5,134	\$7,511
Senior Office Specialist		
Salary Grade 20.N	\$5,273	\$7,751
Construction Compliance Specialist Development Services Specialist Engineering Technician Purchasing Coordinator Senior Accounting Clerk		
Salary Grade 21.N	\$5,420	\$7,987
Collection Systems Technician II Customer Service Specialist III Senior Customer Service Field Technician		
Salary Grade 22.N	\$5,573	\$8,237
Metering Systems Technician II Operator I Senior Purchasing Coordinator Water Maintenance Technician II		
Salary Grade 23.N	\$5,718	\$8,488
Collection Systems CCTV Technician Facilities Services Technician Maintenance Mechanic Vehicle/Equipment Mechanic		

	MINIMUM	MAXIMUM
Salary Grade 24.N Recycled Water Specialist Water Loss Prevention Specialist Wetlands Specialist	\$5,878	\$8,755
Salary Grade 25.N Buyer GIS Technician Senior Collection Systems CCTV Technician	\$6,034	\$9,022
Salary Grade 26.N Cross Connection Specialist Metering Systems Technician III Water Efficiency Specialist Water Maintenance Technician III Water Resources Specialist	\$6,219	\$9,291
Salary Grade 27.N Accountant Operator II Senior Maintenance Mechanic Senior Water Loss Prevention Specialist	\$6,399	\$9,565
Salary Grade 28.N Electrical & Instrumentation Technician Landscape Contracts Administrator Senior Facilities Services Technician Senior Vehicle/Equipment Maintenance Mechanic	\$6,587	\$9,849
Salary Grade 29.N Communications Specialist Construction Inspector Senior GIS Technician QA/OC Compliance Specialist Scientist Senior Buyer Senior Recycled Water Specialist Senior Wetlands Specialist	\$6,783	\$10,135
Salary Grade 30.N Community Relations Specialist Graphic Design Specialist Operator III	\$6,991	\$10,433

	<b>MINIMUM</b>	<b>MAXIMUM</b>
Salary Grade 31.N	\$7,195	\$10,748
Recycled Water Project Specialist		
Senior Construction Inspector		
Senior Electrical & Instrumentation Technician		
Senior Water Efficiency Specialist		
Salary Grade 32.N	\$7,401	\$11,066
Asset Maintenance Coordinator		
Senior Scientist		
Wetlands Scientist		
Salary Grade 33.N	\$7,620	\$11,386
Water Efficiency Analyst		
Salary Grade 34.N	\$7,845	\$11,703
Automation Specialist		
Salary Grade 35.N	\$8,083	\$12,052



January 22, 2024

Prepared by: V. Li / D. Pardee / C. Smithson

Submitted by: N. Adly

Approved by: Paul A. Cook 

## CONSENT CALENDAR

### FISCAL YEAR 2023-24 IRWD GUIDING PRINCIPLES SCORECARD

#### SUMMARY:

The IRWD Guiding Principles Scorecard through the second quarter of Fiscal Year (FY) 2023-24 is provided as Exhibit “A”. This document reflects the critical performance measures that gauge the District’s key business objectives, based on the Board-adopted Guiding Principles.

#### BACKGROUND:

IRWD’s Guiding Principles Scorecard is based on four Board-adopted Guiding Principles used to achieve its vision. These principles relate to: 1) Customer Service, 2) Resource Management, 3) Employee Development, and 4) Community Leadership. The Scorecard includes measures that reflect operating performance, financial, customer and other key measures that provide an overview of the ongoing operations of IRWD. Staff has also included additional detailed information on certain selected key indicators.

#### FISCAL IMPACTS:

Not applicable.

#### ENVIRONMENTAL COMPLIANCE:

Not applicable.

#### RECOMMENDATION:

RECEIVE AND FILE.

#### LIST OF EXHIBITS:

Exhibit “A” – IRWD Guiding Principles Scorecard

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**Exhibit "A"**  
**IRVINE RANCH WATER DISTRICT**

**Guiding Principles Scorecard**

Through the Second Quarter of Fiscal Year 2023-24

**Customer Service**

We are dedicated to delivering superior service to our customers.

Measure	Last Year	This Year
Customer Satisfaction	97%	96%
Electronic Payments Received	88%	89%
Customer Contacts	38,982	41,300
Delinquent Customers on Payment Arrangements (Q1)	1,091	608
Residential Customers within Water Budget	82%	82%
All Customers within Water Budget	81%	82%
Occupancy Certificates	861	1,067
Verified Odor Complaints	1	2
Verified Water Quality Complaints	11	18

**Employee Development**

We are committed to recruiting and retaining top quality employees and to providing a workplace environment, training, and a recognition and reward system that enhances employee performance and satisfaction.

Measure	Last Year	This Year
Participation in 457 Retirement	89%	88%
Employee Retention	96%	93%
OSHA Days Away, Restricted, or Transferred per 100 employees	2.3	3.5
Cross Training Opportunities	8	16
Interns Employed	15	18
Recognition Awards Given	96	73

**Community Leadership**

We will share our resources with the community through education, policy leadership and employee involvement.

Measure	Last Year	This Year
Water Efficiency Website Hits <sup>1</sup>	57	34
Billing Website Hits <sup>1</sup>	56	53
External Media Impressions <sup>1,2</sup>	7,736	6,626
Student Participation in Water Education Programs	92	831
State Legislative & Regulatory Hours Spent	687	639
Outreach Events	18	19
Industry Awards and Honors	7	9

**Vision**

**To achieve greater customer and employee satisfaction, increased reliability and resource conservation, and excellent external relationships with suppliers and others.**

**Resource Management**

We are dedicated to providing, conserving, and maximizing the efficient use and reuse of water and renewable resources to the benefit of our customers and to enhance the environment.

Measure	Last Year	This Year
Planned Maintenance Completed	69%	66%
Potable Water Supply (AF)	29,506	29,616
Non-Potable Water Supply (AF)	19,841	19,918
Irvine Lake Storage (AF) <sup>3</sup>	4,697	9,983
Recycled Water Storage (AF) <sup>4</sup>	2,466	1,977
Sewage Treatment Cost per MG	\$3,642	\$3,553
Capital Spending vs Budget	85%	79%
AQMD Reported Incidents	3	7
Plant Incidents (NPDES)	0	4
Sewer Spills (Non-private)	0	0

<sup>3</sup> Total Water in Lake as of Quarter End

<sup>4</sup> As of Quarter End

<sup>1</sup> In Thousands

<sup>2</sup> Social Media / non-IRWD Websites

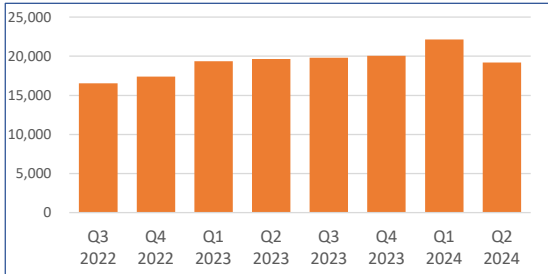
# IRVINE RANCH WATER DISTRICT

## Guiding Principles Closer Perspective

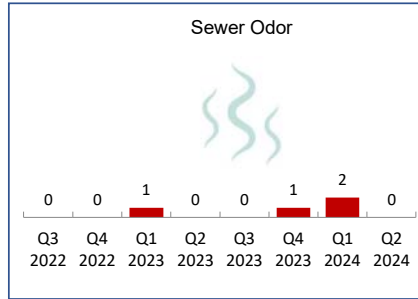
Through the Second Quarter of Fiscal Year 2023-24

### Customer Service

#### Customer Contacts



#### Verified Complaints

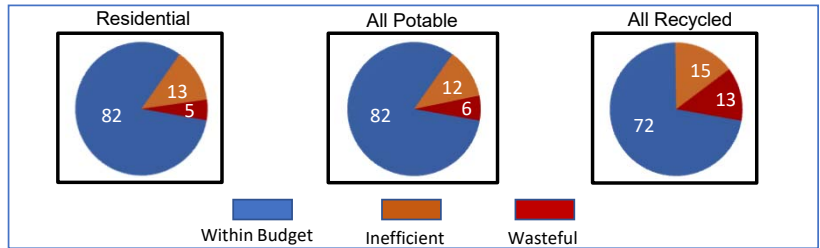


#### Certificates of Occupancy



	Apartment	Condominium	House
FY 2023-24	431	415	221
FY 2022-23	146	336	379

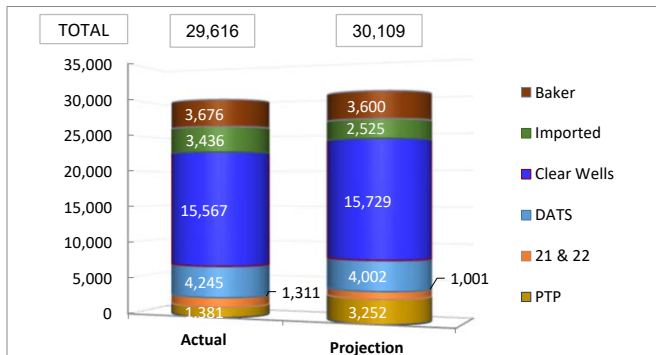
#### Percentage of Customers within Water Budget



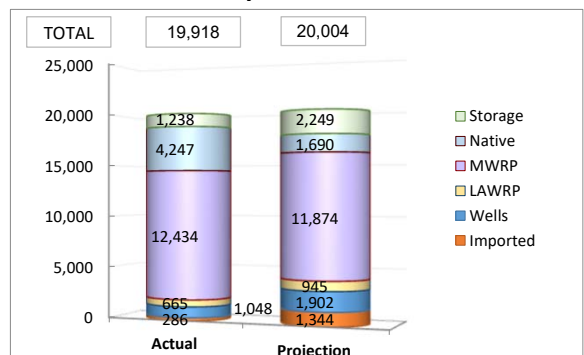
### Resource Management

#### Water Supply (in Acre Feet)\*

##### Potable



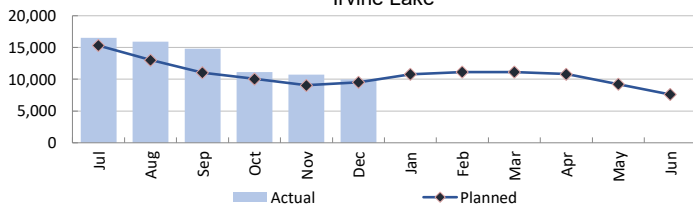
##### Recycled



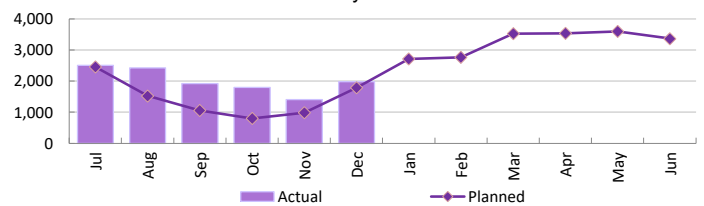
\* Baker was supplied with 727 AF of native water from Irvine Lake for IRWD usage. This is included in both potable and non potable production.

#### Reservoir Storage (in Acre Feet)

##### Irvine Lake



##### Recycled

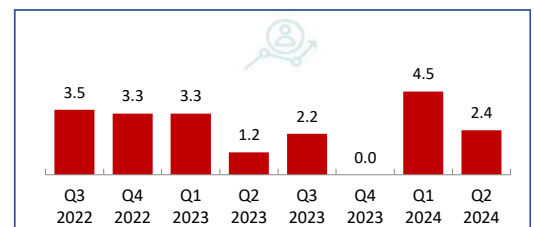



#### Regulatory Compliance

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
AQMD	7	6	3	0	4	3	5	2
Plants	0	2	0	0	0	0	1	3
Sewer Spills	2	0	0	0	0	0	0	0

#### Employee Development

##### Safety: Days Away, Restricted, Transferred



January 22, 2024  
Prepared by: J. Davis  
Submitted by: K. Morris / N. Adly  
Approved by: Paul A. Cook 

## ACTION CALENDAR

### REMARKETING OF IRWD SERIES 2011A BONDS

#### SUMMARY:

The Bonds of Irvine Ranch Water District, Refunding Series 2011 A-1 (“Series 2011A-1 Bonds”) and 2011 Series A-2 (“Series 2011A-2 Bonds”) (collectively the “Series 2011A Bonds”), are within their annual remarketing period, which allows the District to re-price or convert rate modes. The Series 2011A Bonds were initially issued in the Index Mode. Staff, along with the District’s municipal financial advisor Public Financial Management (“PFM”), underwriter (Goldman Sachs), letter of credit bank (Bank of America), and legal counsels, recommend that IRWD remarket the debt issues as daily variable rate mode (each series may independently be converted to another mode in the future upon Board approval). Staff recommends the Board adopt a resolution approving the Remarketing Statement, Amendment to the Remarketing Agreement, Third Supplemental Indentures, Reimbursement Agreements, and other actions in connection with the Letters of Credit.

#### BACKGROUND:

IRWD’s 2011 A-1 issue currently has \$38.76 million of outstanding principal remaining, and IRWD’s 2011 A-2 issue has \$25.84 million of outstanding principal remaining. The 2011A debt issues are remarketed annually by Goldman Sachs based on a spread to the Securities Industry and Financial Markets Association (SIFMA) weekly tax-exempt variable rate index. The last annual interest rate reset was in February 2023 at the SIFMA index plus five basis points, resulting in an annual average all-in rate of 3.44%. The all-in rate includes the net interest rate (the index plus the spread) and annual remarketing fees of approximately 0.13%.

Staff and PFM evaluated several remarketing alternatives available to the District and determined that the lowest annual all-in rate for the debt issues would be the daily variable rate mode, based on projected interest rates, letter of credit costs, and remarketing fees, resulting in a projected all-in rate of 2.525%.

Staff and legal counsels have prepared the draft revised Remarketing Statement reflecting the District’s most recent financial information, updated disclosure information, and other pertinent updates for the Series 2011A Bonds, attached as Exhibit “A”. The District’s Bond Counsel, along with the Bank and Disclosure Counsel prepared the Amendment No. 1 to the Remarketing Agreement for the Series 2011A-1 Bonds, Amendment No. 2 to the Remarketing Agreement for the Series 2011A-2 Bonds, Third Supplemental Indentures of Trust, and Reimbursement Agreements, which are attached as Exhibits “B-1”, “B-2”, “C”, and “D”, respectively.

Staff recommends the Board adopt a resolution approving the financing documents and authorizing certain actions in connection with obtaining Letters of Credit, which resolution is attached as Exhibit “E”.

FISCAL IMPACTS:

The current outstanding principal amount for the Series 2011A Bonds is \$64.6 million. The projected all-in rate of 2.525% for daily variable rate mode would result in an annual net savings of approximately \$930,000 in the first year.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act (CEQA), Code of Regulations, Title 14, Chapter 3, Section 15378.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on December 5, 2023.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2024-2

RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE IRVINE RANCH WATER DISTRICT  
APPROVING THE REMARKETING STATEMENT RELATING TO  
UNSCHEDULED MANDATORY TENDERS OF THE  
BONDS OF IRVINE RANCH WATER DISTRICT  
(REFUNDING SERIES 2011A-1 AND REFUNDING SERIES 2011A-2),  
AUTHORIZING AMENDMENTS TO THE RELATED REMARKETING AGREEMENTS  
AND INDENTURES OF TRUST, AUTHORIZING REIMBURSEMENT AGREEMENTS  
FOR LETTERS OF CREDIT, AND AUTHORIZING THE EXECUTION AND  
DELIVERY OF ALL RELATED DOCUMENTS

LIST OF EXHIBITS:

- Exhibit “A” – Remarketing Statement for Series 2011 A-1 and 2011 A-2 Bonds
- Exhibit “B-1” – Amendment No. 1 to the Remarketing Agreement for the Series 2011A-1 Bonds
- Exhibit “B-2” – Amendment No. 1 to the Remarketing Agreement for the Series 2011A-2 Bonds
- Exhibit “C” – Third Supplemental Indentures of Trust
- Exhibit “D” – Reimbursement Agreements for the Letters of Credit
- Exhibit “E” – Resolution Approving the financing documents

Exhibit "A"

Stradling Yocca Carlson & Rauth  
Draft of 1/12/24

**REOFFERING – NOT A NEW ISSUE – BOOK-ENTRY ONLY**

**RATINGS: See the caption "RATINGS"**

On April 15, 2011, Orrick, Herrington & Sutcliffe LLP and Bowie, Arneson, Wiles & Giannone, Co-Bond Counsel to the District, delivered their respective opinions in connection with the issuance of the Series 2011A Bonds. Such opinions stated that, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2011A Bonds was excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and was exempt from State of California personal income taxes. Based on such earlier opinions and changes in the federal tax law, Bond Counsel, Orrick, Herrington & Sutcliffe LLP, observes that interest on the Series 2011A Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax, and that interest on the Series 2011A Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Co-Bond Counsel expressed no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2011A Bonds. Bond Counsel, Orrick, Herrington & Sutcliffe LLP, has not taken and does not intend to take any action to update such opinions or to determine if interest on the Series 2011A Bonds is presently excluded from gross income for federal income tax purposes or exempt from State of California personal income taxes. See the caption "TAX MATTERS" herein.

**[IRWD LOGO]**

**\$38,760,000**  
**BONDS OF IRVINE RANCH WATER DISTRICT**  
**REFUNDING SERIES 2011A-1**  
**CUSIP<sup>†</sup>: 4636324Q9**

**\$25,840,000**  
**BONDS OF IRVINE RANCH WATER DISTRICT**  
**REFUNDING SERIES 2011A-2**  
**CUSIP<sup>†</sup>: 4636324R7**

**Date of Initial Delivery: April 15, 2011**

**Due: October 1, 2037**

***This Remarketing Statement replaces the Remarketing Statement dated January 24, 2023, as supplemented on January 31, 2023, in its entirety.***

Pursuant to the provisions of two Indentures of Trust, each dated as of April 1, 2011, by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Series 2011A-1 Bonds and the Series 2011A-2 Bonds, respectively, as amended, the District has exercised its option to effect an Unscheduled Mandatory Tender of the Series 2011A-1 Bonds and the Series 2011A-2 Bonds on February 8, 2024.

Upon the purchase of the Series 2011A Bonds pursuant to such Unscheduled Mandatory Tenders, the Series 2011A Bonds: (i) will be remarketed in the Daily Mode commencing on March 1, 2024; and (ii) will bear interest at a Daily Rate.

The Purchase Price of the tendered Series 2011A Bonds will be paid on February 8, 2024 from moneys held by the Trustee, consisting of immediately available funds on deposit in the Remarketing Proceeds Account, as more fully described herein.

The Series 2011A Bonds were issued by the Irvine Ranch Water District and constitute the consolidated, several general obligations of Improvement District Nos. 113, 125, 213 and 225, which are geographical subdivisions of the District through which the District funds capital improvements. The Series 2011A Bonds are payable from the following sources: (i) Assessment Proceeds of each Improvement District, consisting of *ad valorem* assessments on taxable land, In Lieu Charges and proceeds from the sale of property for the enforcement of delinquent assessments collected from within each Improvement District and applied by the District to pay such Improvement District's Included Amount of the principal, Purchase Price and Redemption Price of, and interest on, all Outstanding Series 2011A Bonds; (ii) Net Revenues of the District, consisting of water, sewer and recycled water rates and charges imposed by the District remaining after payment of Operation and Maintenance Expenses; and (iii) certain monies and investment earnings in certain funds and accounts created under the Indentures. See the caption "SECURITY FOR THE SERIES 2011A BONDS—Pledge of Assessment Proceeds and Revenues."

The obligation of the District to pay the principal, Purchase Price and Redemption Price of, and interest on, the Series 2011A Bonds from Net Revenues is payable on a parity with certain Parity Obligations described under the caption "SECURITY FOR THE SERIES 2011A BONDS—Existing Parity Obligations." The District may enter into additional Parity Obligations in accordance with the terms of the Indentures. See the caption "SECURITY FOR THE SERIES 2011A BONDS—Limitations on Parity and Superior Obligations—Obligations on a Parity with the Series 2011A Bonds."

The Series 2011A Bonds were issued pursuant to the respective Indentures for the purposes of: (i) providing a portion of the funds to refund the then-outstanding Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2008B; and (ii) paying costs of issuance with respect to the Series 2011A Bonds.

The Series 2011A Bonds were issued in fully registered form and are registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Purchasers of the Series 2011A Bonds will not receive physical certificates representing their beneficial ownership in the Series 2011A Bonds purchased. The principal, Purchase Price and Redemption Price of, and interest on, the Series 2011A Bonds are payable by the Trustee to Cede & Co. and such principal, Purchase Price, Redemption Price and interest payments are to be disbursed to the beneficial owners of the Series 2011A Bonds through their nominees.

While the Series 2011A Bonds are in the Daily Mode or the Weekly Mode, interest on the Series 2011A Bonds will be payable on the first Business Day of each month. While in the Daily Mode or the Weekly Mode, individual purchases of Series 2011A Bonds will be made in principal amounts of \$100,000 and integral multiples of \$5,000 in excess thereof.

**This Remarketing Statement describes the Series 2011A Bonds while in the Daily Mode and the Weekly Mode only. There are significant differences in the terms of the Series 2011A Bonds while they bear interest in a Mode other than the Daily Mode or the Weekly Mode. This Remarketing Statement is not intended to provide information with respect to the Series 2011A Bonds bearing interest in a Mode other than**

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**the Daily Mode or the Weekly Mode. Owners and prospective owners of the Series 2011A Bonds should not rely on this Remarketing Statement for information in connection with any Change in Mode (other than a Change in Mode from the Daily Mode to the Weekly Mode), but should look solely to the offering document to be used in connection with any such Change in Mode.**

*The Series 2011A Bonds are subject to optional and mandatory redemption prior to maturity as more fully described under the caption “THE SERIES 2011A BONDS—Redemption of Series 2011A Bonds.” The Series 2011A Bonds are also subject to optional and mandatory tender as more fully described under the captions “THE SERIES 2011A BONDS—Mandatory Tender for Purchase” and “THE SERIES 2011A BONDS—Purchase of Series 2011A Bonds.”*

THE SERIES 2011A BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA OTHER THAN THE DISTRICT AND THE IMPROVEMENT DISTRICTS AS PROVIDED IN THE INDENTURES. NO FUNDS OF THE DISTRICT OR THE IMPROVEMENT DISTRICTS, OTHER THAN THE FUNDS INCLUDED IN THE TRUST ESTATE, ARE LIABLE FOR THE PAYMENT OF THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THE SERIES 2011A BONDS. EXCEPT AS PROVIDED IN THE INDENTURES WITH RESPECT TO THE TRUST ESTATE, NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS LIABLE FOR OR PLEDGED TO THE PAYMENT OF THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THE SERIES 2011A BONDS.

Commencing February 8, 2024, after the mandatory tender described above, payments of principal of and interest on the Series 2011A Bonds will be supported by an irrevocable Direct-Pay Letter of Credit issued by Bank of America, N.A., which will be delivered on February 8, 2024 and available to draw upon commencing February 9, 2024. The Trustee is required to draw upon the Direct-Pay Letter of Credit issued by Bank of America, N.A., whenever any amount is payable on the Series 2011A Bonds commencing February 9, 2024. The Trustee will also draw funds under such Letter of Credit to pay the purchase price of Series 2011A Bonds tendered for payment and not remarketed. Such Direct-Pay Letter of Credit has a scheduled termination date of February 8, 2027, subject to earlier termination under conditions described herein, and may be extended or replaced by an alternate letter of credit or other security at or prior to termination.

[BOFA LOGO]

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*This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Series 2011A Bonds. Investors are advised to read the entire Remarketing Statement to obtain information essential to the making of an informed investment decision. Capitalized terms have the meanings given such terms in this Remarketing Statement.*

Certain legal matters in connection with the reoffering of the Series 2011A Bonds will be passed upon by Orrick, Herrington & Sutcliffe LLP, as Bond Counsel to the District, by Hanson Bridgett LLP, as general counsel to the District, and for the Remarketing Agent by Stradling Yocca Carlson & Rauth LLP. The Series 2011A Bonds are available through the facilities of The Depository Trust Company. Goldman Sachs & Co. LLC is serving as Remarketing Agent for the Series 2011A Bonds and, assuming delivery of the Credit Facility on February 8, 2024, Goldman Sachs & Co. LLC will remarket the Series 2011A Bonds through the facilities of The Depository Trust Company on February 8, 2024 following their mandatory tender.

**Goldman Sachs & Co. LLC**  
Remarketing Agent

Dated: January 29, 2024



**No dealer, broker, salesperson or other person has been authorized by the District or the Remarketing Agent to give any information or to make any representation other than as set forth herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Remarketing Agent. This Remarketing Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2011A Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.**

**This Remarketing Statement is not to be construed as a contract with the purchasers of the Series 2011A Bonds. Statements contained in this Remarketing Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.**

The Remarketing Agent has provided the following sentence for inclusion in this Remarketing Statement:

The Remarketing Agent has reviewed the information in this Remarketing Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agent does not guarantee the accuracy or completeness of such information.

The information set forth in this Remarketing Statement has been obtained from official sources and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Remarketing Agent. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Remarketing Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the District since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE REMARKETING AGENT MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2011A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

**CERTAIN STATEMENTS CONTAINED IN THIS REMARKETING STATEMENT REFLECT NOT HISTORICAL FACTS BUT FORECASTS AND “FORWARD-LOOKING STATEMENTS.” NO ASSURANCE CAN BE GIVEN THAT THE FUTURE RESULTS DISCUSSED HEREIN WILL BE ACHIEVED, AND ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THE FORECASTS DESCRIBED HEREIN. IN THIS RESPECT, THE WORDS “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “EXPECT,” “INTEND,” “BELIEVE” AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALL PROJECTIONS, FORECASTS, ASSUMPTIONS, EXPRESSIONS OF OPINIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH IN THIS REMARKETING STATEMENT. THE PROJECTIONS CONTAINED IN THIS REMARKETING STATEMENT WILL NOT BE UPDATED AS PART OF THE DISTRICT’S CONTINUING DISCLOSURE OBLIGATIONS FOR THE SERIES 2011A BONDS.**

THE SERIES 2011A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE SERIES 2011A BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

The District maintains a website. However, the information presented there is not part of this Remarketing Statement and should not be relied upon in making an investment decision with respect to the Series 2011A Bonds.

**IRVINE RANCH WATER DISTRICT**  
Orange County, California

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**Board of Directors**

Douglas J. Reinhart, Division 3, *President*  
Steven E. LaMar, Division 2, *Vice President*  
Karen McLaughlin, Division 4  
Peer A. Swan, Division 5  
John B. Withers, Division 1

**Management**

Paul A. Cook, *General Manager*  
Neveen Adly, *Executive Director of Finance and Administration*  
Kent Morris, *Treasurer*  
Leslie Bonkowski, *Secretary*

**District General Counsel**

Hanson Bridgett LLP  
Los Angeles, California

**Bond Counsel**

Orrick, Herrington & Sutcliffe LLP  
Los Angeles, California

**Municipal Advisor**

PFM Financial Advisors LLC  
Los Angeles, California

**Trustee**

The Bank of New York Mellon Trust Company, N.A.  
Los Angeles, California

[REGIONAL MAP]

[MAP OF WATER IMPROVEMENT DISTRICTS]

[MAP OF SEWER IMPROVEMENT DISTRICTS]

**TABLE OF CONTENTS**

	<b>Page</b>
INTRODUCTION .....	1
Purpose.....	2
The District .....	2
The Series 2011A Bonds.....	2
Improvement Districts.....	2
Security for the Series 2011A Bonds.....	3
Professionals Involved in the Remarketing.....	5
Summaries Not Definitive .....	6
Additional Information .....	6
THE SERIES 2011A BONDS.....	6
General.....	7
Payment of Interest .....	7
Determination of Daily Rate .....	8
Determination of Weekly Rate Upon Change in Mode to Weekly Mode .....	8
Mandatory Tender for Purchase.....	9
Purchase of Series 2011A Bonds .....	9
Purchase Fund.....	13
Changes in Mode .....	13
Undelivered Bonds.....	14
Special Considerations Relating to the Series 2011A Bonds.....	15
Redemption of Series 2011A Bonds.....	16
Selection of Series 2011A Bonds for Redemption.....	17
Notice of Redemption.....	18
Allocation of Credits for Purchased or Redeemed Series 2011A Bonds.....	18
Book-Entry Only System.....	19
SECURITY FOR THE SERIES 2011A BONDS.....	19
General.....	19
Pledge of Assessment Proceeds and Revenues.....	20
Allocation of Monies Under the Indentures.....	22
Existing Parity Obligations .....	23
Limitations on Parity and Superior Obligations.....	24
Investment of Monies in Funds and Accounts Under the Indentures .....	25
THE CREDIT FACILITY .....	26
The Credit Facility Provider .....	26
The Credit Facility .....	26
THE IRVINE RANCH WATER DISTRICT .....	26
CONTINUING DISCLOSURE.....	26
LITIGATION .....	27
RATINGS .....	27
TAX MATTERS.....	28
Original Opinions.....	28
No Updated Co-Bond Counsel Opinions.....	28
General Considerations.....	28
REMARKETING AGENT .....	30
MUNICIPAL ADVISOR .....	30

APPROVAL OF LEGAL MATTERS.....	30
INDEPENDENT ACCOUNTANTS .....	31
MISCELLANEOUS .....	1
APPENDIX A IRVINE RANCH WATER DISTRICT .....	A-1
APPENDIX B AUDITED FINANCIAL STATEMENTS.....	B-1
APPENDIX C SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES.....	C-1
APPENDIX D CO-BOND COUNSEL OPINIONS.....	D-1
APPENDIX E BOOK-ENTRY SYSTEM .....	E-1
APPENDIX F FORM OF CONTINUING DISCLOSURE CERTIFICATE .....	F-1

## REMARKETING STATEMENT

<b>\$38,760,000</b>	<b>\$25,840,000</b>
<b>BONDS OF IRVINE RANCH WATER DISTRICT REFUNDING SERIES 2011A-1</b>	<b>BONDS OF IRVINE RANCH WATER DISTRICT REFUNDING SERIES 2011A-2</b>

### INTRODUCTION

*This Remarketing Statement replaces the Remarketing Statement dated January 24, 2023, as supplemented on January 31, 2023, in its entirety.*

*Pursuant to the provisions of two Indentures of Trust, each dated as of April 1, 2011 (each, an “Original Indenture”), by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), as amended by two First Supplemental Indentures of Trust, each dated as of February 1, 2014 (each, a “First Supplemental Indenture”), by two Second Supplemental Indentures of Trust, each dated as of April 1, 2020 (each, a “Second Supplemental Indenture”), and by two Third Supplemental Indentures of Trust, each dated as of February 1, 2024 (each, a “Third Supplemental Indenture” and, together with the Original Indentures, the First Supplemental Indentures and the Second Supplemental Indentures, the “Indentures”), by and between the District and the Trustee, relating to the Bonds of Irvine Ranch Water District Refunding Series 2011A-1 (the “Series 2011A-1 Bonds”) and the Bonds of Irvine Ranch Water District Refunding Series 2011A-2 (the “Series 2011A-2 Bonds” and, together with the Series 2011A-1 Bonds, the “Series 2011A Bonds”), respectively, the Irvine Ranch Water District (the “District”) has exercised its option to effect an Unscheduled Mandatory Tender of the Series 2011A-1 Bonds and the Series 2011A-2 Bonds on February 8, 2024. The Indentures are substantially similar.*

*Upon the purchase of the Series 2011A Bonds pursuant to such Unscheduled Mandatory Tenders, the Series 2011A Bonds: (i) will be remarketed in the Daily Mode; and (ii) will bear interest at a rate that is subject to an Adjustment Period of one day (the “Daily Rate”), all as more fully described herein.*

*The Purchase Price of the tendered Series 2011A Bonds will be paid on February 8, 2024 from moneys held by the Trustee, consisting of immediately available funds on deposit in the applicable Remarketing Proceeds Account, as more fully described herein.*

*Commencing on February 8, 2024, after the Series 2011A Bonds have been tendered as described above, they will be remarketed with the support of an irrevocable Direct-Pay Letter of Credit (the “Credit Facility”) issued by Bank of America, N.A. (the “Credit Facility Provider”), and, commencing on February 9, 2024, payments of the principal of and interest on the Series 2011A Bonds will be supported by the Credit Facility, which will be available to draw upon commencing February 9, 2024. The Trustee is required to draw upon the Credit Facility whenever any amount is payable on the Series 2011A Bonds commencing February 9, 2024. The Trustee may also draw funds under the Credit Facility to pay the purchase price of Series 2011A Bonds tendered for payment and not remarketed. The Credit Facility has a scheduled termination date of February 8, 2027 subject to earlier termination under conditions described herein, and may be extended or replaced by an alternate letter of credit or other security at or prior to termination. See the caption “THE CREDIT FACILITY.”*

*This Introduction is subject in all respects to the more complete information contained and referenced elsewhere in this Remarketing Statement. The remarketing of the Series 2011A Bonds to potential investors is made only by means of the entire Remarketing Statement.*



## **Purpose**

The purpose of this Remarketing Statement, which includes the cover page and appendices hereto, is to set forth certain information concerning the District and Improvement District Nos. 113, 125, 213 and 225 (collectively, the “**Improvement Districts**” or individually, an “**Improvement District**”), which are geographical subdivisions of the District through which the District funds capital improvements, in connection with the remarketing of \$38,760,000 aggregate principal amount of the Series 2011A-1 Bonds and \$25,840,000 aggregate principal amount of the Series 2011A-2 Bonds, which Series 2011A Bonds constitute the consolidated several general obligations of Improvement District Nos. 113, 125, 213 and 225. In addition, the District has pledged Revenues to the repayment of the Series 2011A Bonds. See the caption “SECURITY FOR THE SERIES 2011A BONDS—Pledge of Assessment Proceeds and Revenues.”

The Series 2011A Bonds were issued pursuant to the respective Indentures for the purposes of: (i) providing a portion of the funds to refund the then-outstanding Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2008B; and (ii) paying costs of issuance with respect to the Series 2011A Bonds. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in Appendix C—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES.”

**This Remarketing Statement describes the Series 2011A Bonds only while in the Daily Mode and the Weekly Mode. There are significant differences in the terms of the Series 2011A Bonds while they bear interest in a Mode other than the Daily Mode or the Weekly Mode. This Remarketing Statement is not intended to provide information with respect to the Series 2011A Bonds bearing interest in a Mode other than the Daily Mode or the Weekly Mode. Owners and prospective owners of the Series 2011A Bonds should not rely on this Remarketing Statement for information in connection with any Change in Mode (other than a Change in Mode from the Daily Mode to the Weekly Mode), but should look solely to the offering document to be used in connection with any such Change in Mode.**

## **The District**

The District is a California water district, formed in 1961 under the authority of the California Water District Law, constituting Division 13 of the California Water Code (the “Act”). Currently there are eight water improvement districts and ten sewer improvement districts formed pursuant to the Act, which are geographical subdivisions of the District through which the District funds capital improvements. See Appendix A—“IRVINE RANCH WATER DISTRICT.”

## **The Series 2011A Bonds**

Each series of Series 2011A Bonds is being remarketed in the Daily Mode and will bear interest at a Daily Rate, all as more fully described under the caption “THE SERIES 2011A BONDS.” While in the Daily Mode or the Weekly Mode, interest on the Series 2011A Bonds will be payable on the first Business Day of each month. While in the Daily Mode or the Weekly Mode, individual purchases of Series 2011A Bonds will be made in principal amounts of \$100,000 and integral multiples of \$5,000 in excess thereof.

The Series 2011A Bonds are subject to optional and mandatory redemption prior to maturity as more fully described under the caption “THE SERIES 2011A BONDS—Redemption of Series 2011A Bonds.” The Series 2011A Bonds are also subject to optional and mandatory tender as more fully described under the captions “THE SERIES 2011A BONDS—Mandatory Tender for Purchase” and “THE SERIES 2011A BONDS—Purchase of Series 2011A Bonds.”

## **Improvement Districts**

Set forth below are brief descriptions of the Improvement Districts for which the Series 2011A Bonds constitute the consolidated, several general obligations. For more complete information with respect to the

Improvement Districts, see Appendix A—“IRVINE RANCH WATER DISTRICT” under the caption “THE IMPROVEMENT DISTRICTS.”

**Improvement District Nos. 125 and 225.** At the time of their initial issuance on April 15, 2011, the Series 2011A Bonds constituted the consolidated, several general obligations of Improvement District Nos. 105, 113, 213 and 250. Pursuant to the Indentures, the District covenanted to fix and collect *ad valorem* assessments on taxable land within such improvement districts in amounts sufficient to pay principal of and interest on the applicable series of Series 2011A Bonds. See the caption “—Security for the Series 2011A Bonds—Assessment Proceeds.” In 2013:

- Improvement District No. 105 and ten other water improvement districts were consolidated into a new improvement district, Improvement District No. 125, in accordance with Section 36454 *et seq.* of the Act. Pursuant to Section 36454.1 of the Act, Improvement District No. 105’s Included Amount of the Series 2011A Bonds of each series was assumed by and became the liability of Improvement District No. 125.

- Improvement District No. 250 and nine other sewer improvement districts were consolidated into a new improvement district, Improvement District No. 225, in accordance with Section 36454 *et seq.* of the Act. Pursuant to Section 36454.1 of the Act, Improvement District No. 250’s Included Amount of the Series 2011A Bonds of each series was assumed by and became the liability of Improvement District No. 225.

Improvement District No. 125 (water) covers approximately 35,438 acres of the District, including several contiguous and non-contiguous areas in the central and coastal parts of the District. Improvement District No. 225 (sewer) covers approximately 32,862 acres of the District, including several contiguous and non-contiguous areas in the central part of the District. Currently, the majority of the land within Improvement District Nos. 125 and 225 consists of developed residential and commercial property. However, the District expects certain areas within Improvement District Nos. 125 and 225 to be subject to infill development and redevelopment in the future. The District expects such additional development in Improvement District Nos. 125 and 225 to continue through at least 2025. The Fiscal Year 2024 assessed value of the land in Improvement District No. 125 is \$58,826,902,804. The Fiscal Year 2024 assessed value of the land in Improvement District No. 225 is \$50,684,289,211.

**Improvement District Nos. 113 and 213.** Improvement District No. 113 (water) and Improvement District No. 213 (sewer) are coterminous and are located in portions of the Cities of Tustin and Irvine. Improvement District Nos. 113 and 213 are comprised of approximately 1,629 acres of the land formerly known as Marine Corps Air Station Tustin. The boundaries of Improvement District Nos. 113 and 213 are Harvard Avenue on the southeast, Barranca Parkway on the southwest, Red Hill Avenue on the northwest and Edinger Avenue on the northeast. The former helicopter base, now known as Tustin Legacy, is currently being redeveloped with residential, commercial, institutional and recreational uses. The District expects development in Improvement District Nos. 113 and 213 to continue through 2025. The District expects that the development will consist of approximately 7,200 dwelling units and approximately 9,700,000 square feet of commercial, institutional and recreational uses when completed. The Fiscal Year 2024 assessed value of the land in coterminous Improvement District Nos. 113 and 213 is \$1,588,646,528.

See Table 3 under the caption “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness” in Appendix A for a description of the *ad valorem* assessment bonds, including the Series 2011A Bonds, attributable to Improvement District Nos. 113, 125, 213 and 225, respectively.

### **Security for the Series 2011A Bonds**

**General.** The Series 2011A Bonds constitute the consolidated, several general obligations of the Improvement Districts payable from the following sources, each as further described under the caption “SECURITY FOR THE SERIES 2011A BONDS”: (i) Assessment Proceeds collected from within each

Improvement District and applied by the District to pay such Improvement District's Included Amount (as defined below) of the principal, Purchase Price and Redemption Price of, and interest on, all Outstanding Series 2011A Bonds of the applicable series; (ii) Net Revenues of the District; and (iii) certain monies and investment earnings in certain funds and accounts created under the respective Indentures.

The principal amount of the Series 2011A Bonds of a series allocated to an Improvement District is referred to as such Improvement District's "**Included Amount**" and an Improvement District's Included Amount divided by the total principal amount of the Series 2011A Bonds of such series is referred to as such Improvement District's "**Included Percentage**."

**Assessment Proceeds.** The District has covenanted in the Indentures that, to the extent necessary to provide Assessment Proceeds sufficient to pay when due, together with the other funds available for such payment, the principal of and interest on the Included Amount for each respective Improvement District, the District will: (a) fix and collect, or cause the fixing and collection of, *ad valorem* assessments on taxable land within the applicable Improvement District; (b) pursue any remedy available to collect, or cause the collection of, delinquent *ad valorem* assessments and apply amounts realized from the sale of any property for the enforcement of delinquent *ad valorem* assessments to the payment of principal of and interest on the Included Amount of the Series 2011A Bonds of each series of the applicable Improvement District; or (c) in its discretion, impose and collect, or cause the imposition and collection of, In Lieu Charges (which constitute charges for water or sewer service, as applicable, in the applicable Improvement District in lieu of *ad valorem* assessments). See the caption "SECURITY FOR THE SERIES 2011A BONDS—General—Covenant to Collect Assessment Proceeds."

As among the Improvement Districts, Assessment Proceeds collected in any Improvement District will not be available to pay any other Improvement District's share of debt service of the Series 2011A Bonds of a series. Each Improvement District's Included Amount and Included Percentage will be as set forth below:

**SERIES 2011A-1 BONDS**

<i>Improvement District No.</i>	<i>Included Amount</i>	<i>Included Percentage</i>
113	\$ 1,938,000	5.00%
125	18,100,920	46.70
213	2,441,880	6.30
225	<u>16,279,200</u>	<u>42.00</u>
Total	<u>\$ 38,760,000</u>	<u>100.00%</u>

**SERIES 2011A-2 BONDS**

<i>Improvement District No.</i>	<i>Included Amount</i>	<i>Included Percentage</i>
113	\$ 1,292,000	5.00%
125	12,067,280	46.70
213	1,627,920	6.30
225	<u>10,852,800</u>	<u>42.00</u>
Total	<u>\$ 25,840,000</u>	<u>100.00%</u>

The Included Amount for each Improvement District with respect to each series of Series 2011A Bonds and any other outstanding or future District general obligation bonds issued for such Improvement District are equally secured by the *ad valorem* assessments and any charges for water or sewer service, as applicable, imposed and collected in lieu of *ad valorem* assessments, collected within such Improvement District. The *ad valorem* assessments are levied only on land and are based on the land value of parcels in the Improvement District without regard to the value of any improvements thereon. See Appendix A—"IRVINE RANCH WATER DISTRICT" under the captions "THE IMPROVEMENT DISTRICTS—Improvement

District Nos. 125 and 225” and “THE IMPROVEMENT DISTRICTS—Improvement District Nos. 113 and 213.”

During the term of the Series 2011A Bonds of each series, the Included Amounts and Included Percentages for any Improvement District may be adjusted as a result of the purchase or redemption of Series 2011A Bonds of such series allocated to one or more Improvement Districts, pursuant to calculations made by the District and delivered to the Trustee pursuant to the applicable Indenture, without need for any amendment of or supplement to such Indenture.

**Net Revenues.** The Series 2011A Bonds are also payable from the Net Revenues of the District and are secured by a pledge of the Revenues of the District, subject to the application of the Revenues as provided in the Indentures. Net Revenues for any period consist of the Revenues of the District less the Operation and Maintenance Expenses of the District for such period, as such terms are defined under the caption “SECURITY FOR THE SERIES 2011A BONDS—Pledge of Assessment Proceeds and Revenues—Net Revenues.”

Net Revenues collected within any improvement district of the District, including the Improvement Districts, are available to make debt service payments on the Series 2011A Bonds.

The obligation of the District to pay the principal, Redemption Price and Purchase Price of, and interest on, the Series 2011A Bonds from Net Revenues is payable on a parity with the District’s obligations under certain Parity Obligations. See the caption “SECURITY FOR THE SERIES 2011A BONDS—Existing Parity Obligations.” The District may enter into additional Parity Obligations in accordance with the terms of the Indentures. See the caption “SECURITY FOR THE SERIES 2011A BONDS—Limitations on Parity and Superior Obligations—Obligations on a Parity with the Series 2011A Bonds.”

The District has covenanted in the Indentures, to the fullest extent permitted by law, to fix, prescribe and collect Revenues which, together with any *ad valorem* assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, will be at least sufficient to yield during each Fiscal Year Net Revenues which are at least equal to 125% of Aggregate Debt Service payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classifications thereof as it deems necessary, but will not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of the rate covenant with respect to all outstanding Parity Obligations. See the caption “SECURITY FOR THE SERIES 2011A BONDS—General—Revenue Rate Covenant.”

**Limited Obligations.** THE SERIES 2011A BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA OTHER THAN THE DISTRICT AND THE IMPROVEMENT DISTRICTS AS PROVIDED IN THE INDENTURES. NO FUNDS OF THE DISTRICT OR THE IMPROVEMENT DISTRICTS, OTHER THAN THE FUNDS INCLUDED IN THE TRUST ESTATE, ARE LIABLE FOR THE PAYMENT OF THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THE SERIES 2011A BONDS. EXCEPT AS PROVIDED IN THE INDENTURES WITH RESPECT TO THE TRUST ESTATE, NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS LIABLE FOR OR PLEDGED TO THE PAYMENT OF THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THE SERIES 2011A BONDS.

#### **Professionals Involved in the Remarketing**

The Bank of New York Mellon Trust Company, N.A. serves as Trustee under the Indentures. Certain legal matters in connection with the reoffering of the Series 2011A Bonds will be passed upon by Orrick, Herrington & Sutcliffe LLP, as Bond Counsel to the District, by Hanson Bridgett LLP, as general counsel to

the District (“**General Counsel**”), and for Goldman Sachs & Co. LLC (the “**Remarketing Agent**”) by Stradling Yocca Carlson & Rauth LLP.

### **Summaries Not Definitive**

The summaries and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such summary or reference is qualified in its entirety by reference to each such document, statute, report or instrument. The capitalization of any word not conventionally capitalized or otherwise defined herein indicates that such word is defined in the Indentures and, as used herein, has the meaning given to it in the Indentures. Unless otherwise indicated, all financial and statistical information herein has been provided by the District.

All references to and summaries of the Indentures, the Credit Facility, the Reimbursement Agreement, documents, statutes, reports and other instruments referred to herein are qualified in their entirety by reference to the full Indentures, Credit Facility, Reimbursement Agreement and each such document, statute, report or instrument, respectively. Forward-looking statements in this Remarketing Statement are subject to risks and uncertainties. Actual results may vary from forecasts or projections contained herein because events and circumstances do not occur as expected, and such variances may be material. The projections contained in this Remarketing Statement will not be updated as part of the District’s continuing disclosure obligations for the Series 2011A Bonds.

### **Additional Information**

Copies of the Indentures and audited financial statements of the District are available for inspection at the offices of the District in Irvine, California, and will be available from the Trustee upon request and payment of costs. Additional information regarding this Remarketing Statement may be obtained by contacting the District, at the following address:

Treasurer  
Irvine Ranch Water District  
15600 Sand Canyon Avenue  
Irvine, California 92618  
(949) 453-5300

The Credit Facility Provider has no responsibility for the form and content of this Remarketing Statement, other than solely with respect to the information describing the Credit Facility Provider under the caption “THE CREDIT FACILITY—The Credit Facility Provider,” and has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Remarketing Statement or any information or disclosure contained herein or omitted herefrom, other than solely with respect to the information describing itself under the caption “THE CREDIT FACILITY—The Credit Facility Provider.” Accordingly, the Credit Facility Provider disclaims responsibility for the other information in this Remarketing Statement or otherwise made in connection with the remarketing of the Series 2011A Bonds.

### **THE SERIES 2011A BONDS**

**This Remarketing Statement describes the Series 2011A Bonds while in the Daily Mode and the Weekly Mode. There are significant differences in the terms of the Series 2011A Bonds while they bear interest in a Mode other than the Daily Mode or the Weekly Mode. This Remarketing Statement is not intended to provide information with respect to the Series 2011A Bonds bearing interest in a Mode other than the Daily Mode or the Weekly Mode. Owners and prospective owners of the Series 2011A Bonds should not rely on this Remarketing Statement for information in connection with any Change in Mode**

(other than a Change in Mode from the Daily Mode to the Weekly Mode), but should look solely to the offering document to be used in connection with any such Change in Mode.

*Both series of the Series 2011A Bonds are being remarketed in the Daily Mode. Notwithstanding the foregoing, one series of the Series 2011A Bonds may be converted to the Weekly Mode or another Mode while the other series remains in the Daily Mode.*

## General

The Series 2011A Bonds mature on October 1, 2037. The Series 2011A Bonds are being remarketed in the Daily Mode and will bear interest at a Daily Rate. All Outstanding Series 2011A Bonds of a series will be in the same Mode, although one series of Series 2011A Bonds may be converted to a different Mode than the other series at any given time. Any Mode may be changed to any other Mode for a series of Series 2011A Bonds at the times and in the manner provided in the applicable Indenture.

While in the Daily Mode or the Weekly Mode, the Series 2011A Bonds of a series will be subject to all of the terms of the Indenture relating to such series of Series 2011A Bonds in the Daily Mode or the Weekly Mode, including provisions that require the Owners to tender their Series 2011A Bonds for purchase on each Mandatory Purchase Date as described in this Remarketing Statement. See the caption “—Mandatory Tender for Purchase.”

While in the Daily Mode or the Weekly Mode, the Series 2011A Bonds are also subject to tender for purchase at the option of the Owners. See the caption “—Purchase of Series 2011A Bonds.”

Each series of the Series 2011A Bonds are in the form of fully registered bonds and are registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series 2011A Bonds. While the Series 2011A Bonds are in the Daily Mode or the Weekly Mode, individual purchases of Series 2011A Bonds will be made in principal amounts of \$100,000 and integral multiples of \$5,000 in excess thereof. See the caption “—Book-Entry Only System” and Appendix E.

## Payment of Interest

Interest on the Series 2011A Bonds in the Daily Mode or the Weekly Mode will be calculated on the basis of a 365/366-day year for the actual number of days elapsed. Interest on the Series 2011A Bonds in the Daily Mode or the Weekly Mode is payable on the first Business Day of each calendar month, commencing in the Daily Mode on March 1, 2024, and on each applicable Mandatory Purchase Date on which all outstanding Series 2011A Bonds of a series are purchased (each, an “**Interest Payment Date**”). During the Daily Mode and the Weekly Mode, payment will be made on each Interest Payment Date for unpaid interest accrued from and including the first day of the preceding calendar month, through and including the last day of the preceding calendar month.

The amount of interest payable on each such Interest Payment Date will be determined in accordance with the provisions described under the caption “—Determination of Daily Rate.” Notwithstanding any provision of the Indentures, at no time may the rate of interest on any Series 2011A Bond exceed the Maximum Rate.

Notwithstanding the foregoing, each Liquidity Provider-Owned Bond will bear interest on the outstanding principal amount thereof at the Liquidity Provider Interest Rate for each day from and including the date such Series 2011A Bond becomes a Liquidity Provider-Owned Bond to, but not including, the date such Series 2011A Bond is paid in full or is remarketed. Interest on Liquidity Provider-Owned Bonds at the Liquidity Provider Interest Rate will be payable only to the Liquidity Provider and not to any other Owner.

Interest on Liquidity Provider-Owned Bonds will be payable as provided in the Reimbursement Agreement. Liquidity Provider-Owned Bonds will not bear interest at the Liquidity Provider Interest Rate after such Series 2011A Bonds have been remarketed unless such Series 2011A Bonds again become Liquidity Provider-Owned Bonds. Interest on Liquidity Provider-Owned Bonds will be calculated based upon a 360-day year and actual days elapsed.

### **Determination of Daily Rate**

The Adjusted Interest Rate for the Series 2011A Bonds in the Daily Mode will be the rate of interest per annum determined by the Remarketing Agent on and as of the applicable Rate Determination Date (*i.e.*, each Business Day) for such Adjustment Period as the minimum rate of interest which, in the opinion of the Remarketing Agent, would result in the sale of the Series 2011A Bonds on the applicable Rate Determination Date at a price equal to the principal amount thereof. On each Rate Determination Date, the Remarketing Agent will notify the Trustee and the District of the Adjusted Interest Rate by Electronic Notice and confirm such notice in writing to the Trustee and the District as soon as practicable thereafter.

During the Daily Mode, the Remarketing Agent will establish the Adjusted Interest Rate by 10:00 a.m.\* on each Rate Determination Date. The Adjusted Interest Rate for any day during the Daily Mode which is not a Business Day will be the Adjusted Interest Rate established for the immediately preceding Rate Determination Date. The Remarketing Agent will make the Adjusted Interest Rate for any Daily Mode Adjustment Period available by Electronic Notice to any Owner, Notice Party or prospective purchaser requesting such information. In the event that the Adjusted Interest Rate for a Business Day is not determined by the Remarketing Agent, or in the event that the rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such day shall be equal to the Alternate Rate (*i.e.*, a rate per annum equal to 110% of SIFMA).

### **Determination of Weekly Rate Upon Change in Mode to Weekly Mode**

The Series 2011A Bonds will bear interest at the Daily Rate, commencing February 8, 2024. In the event that the District effects a Change in Mode to the Weekly Mode for a series of Series 2011A Bonds, such series of Series 2011A Bonds will bear interest at a rate that is subject to an Adjustment Period from and including the first day that such Series 2011A Bonds become subject to the Weekly Mode to and including the following Wednesday, and thereafter commencing on each Thursday to and including Wednesday of the following week.

The Adjusted Interest Rate for the Series 2011A Bonds in the Weekly Mode will be the rate of interest per annum determined by the Remarketing Agent on and as of the applicable Rate Determination Date (*i.e.*, each Wednesday or, if Wednesday is not a Business Day, the next succeeding day, or if such day is not a Business Day, then the Business Day next preceding such Wednesday) for such Adjustment Period as the minimum rate of interest which, in the opinion of the Remarketing Agent, would result in the sale of the Series 2011A Bonds on the applicable Rate Determination Date at a price equal to the principal amount thereof. On each Rate Determination Date, the Remarketing Agent will notify the Trustee and the District of the Adjusted Interest Rate by Electronic Notice and confirm such notice in writing to the Trustee and the District as soon as practicable thereafter.

No later than 5:00 p.m. on each Rate Determination Date for the Weekly Mode, the Remarketing Agent will establish the Adjusted Interest Rate for the Series 2011A Bonds. The Remarketing Agent will make the Adjusted Interest Rate available by Electronic Notice to any Owner, Notice Party or prospective purchaser requesting such information). In the event that the Adjusted Interest Rate for a week is not determined by the Remarketing Agent, or in the event that the rate determined by the Remarketing Agent is

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\* Unless otherwise expressly stated, all times referred to in this Remarketing Statement are New York City time.

held to be invalid or unenforceable by a court of law, then the interest rate for such week will be equal to the Alternate Rate (*i.e.*, a rate per annum equal to 110% of SIFMA).

### **Mandatory Tender for Purchase**

**General.** While the Series 2011A Bonds bear interest in the Daily Mode or the Weekly Mode, the Owners of all of the Series 2011A Bonds will tender for purchase, and the District will purchase, all of the Series 2011A Bonds at the following times (each, a “**Mandatory Purchase Date**”):

(i) the date of any Change in Mode (other than a Change in Mode from the Daily Mode to the Weekly Mode and vice versa) set forth in a Notice of Change in Mode, whether or not such Change in Mode actually occurs. See the caption “—Changes in Mode;”

(ii) any Substitution Date, *i.e.*, the date upon which a new Liquidity Facility (including any Credit Support Instrument) is substituted for the Liquidity Facility then in effect (including the Credit Facility);

(iii) the fifth Business Day prior to an Expiration Date of a Liquidity Facility; and

(iv) unless the principal of and accrued interest on the Outstanding Series 2011A Bonds are declared to be due and payable immediately pursuant to the Indentures, a date which will be the eighth day (or if such day is not a Business Day, the next succeeding Business Day) after the Trustee’s receipt of written notice from the Liquidity Provider that the Liquidity Provider is terminating the Liquidity Facility by reason of occurrence of an event of default under the Reimbursement Agreement and directing the Trustee to cause a mandatory tender of the Series 2011A Bonds.

**Notice of Mandatory Tender of Series 2011A Bonds for Purchase.** Notice of each mandatory tender of Series 2011A Bonds for purchase required as described above under the subcaption “—General” will be given to the Owners as provided in the Indentures. Notice of each mandatory tender for purchase will be given by the Trustee by Mail or Electronic Notice to the Owners not less than seven days prior to the Mandatory Purchase Date (with copies thereof to be given to the other Notice Parties). Each such notice must state: (i) the Mandatory Purchase Date; (ii) (1) if the Series 2011A Bonds are registered in the name of a Bond Depository, the procedures for tendering such Series 2011A Bonds to receive the Purchase Price thereof in accordance with the procedures provided by such Bond Depository; or (2) if the Series 2011A Bonds are not registered in the name of a Bond Depository, that the Purchase Price of any Series 2011A Bond so tendered will be payable only upon surrender of such Series 2011A Bond to the Trustee at its Corporate Trust Office (which will be specified in such notice), together with an instrument of transfer thereof, in form satisfactory to the Trustee, executed in blank by the Owners thereof or their duly authorized attorney, with such signature guaranteed by a bank, trust company or member firm of the New York Stock Exchange; (iii) that any Series 2011A Bond not so tendered for purchase as required will be deemed to have been so tendered and, upon provision for payment of the Purchase Price thereof from the applicable funds as described under the caption “—Purchase of Series 2011A Bonds—Procedure for Purchase,” will be deemed to have been purchased on the Mandatory Purchase Date, after which no interest will accrue thereon for the benefit of the Owner required to so tender such Series 2011A Bond and such Owner will have no rights under the applicable Indenture as the Owner of such Series 2011A Bond except the right to receive the Purchase Price thereof; (iv) that all Series 2011A Bonds subject to such mandatory tender for purchase will be purchased on the applicable Mandatory Purchase Date at the applicable Purchase Price, but solely from the from the sources described under the caption “—Purchase of Series 2011A Bonds—Procedure for Purchase.”

### **Purchase of Series 2011A Bonds**

**Tender for Purchase upon Election of Owner.** During the Daily Mode or the Weekly Mode, any Owner of a Series 2011A Bond may demand, on any Business Day, that such Series 2011A Bond, or any portion thereof (so long as the principal amount purchased, and the principal amount not purchased, are each in



an Authorized Denomination), be purchased on the applicable Purchase Date at the applicable Purchase Price but solely from the sources of payment provided below. Unless otherwise provided in a Representation Letter, such demand for purchase will be made as follows: (i) delivery to the Remarketing Agent at its principal office in New York, New York, and to the Trustee at its Corporate Trust Office, no later than the applicable Tender Deadline of an applicable Tender Notice (as such terms are defined in Appendix C); and (ii) delivery of such Series 2011A Bond duly endorsed in blank for transfer at the Corporate Trust Office of the Trustee at or prior to 10:00 a.m. on the Purchase Date specified in the Tender Notice.

Notwithstanding the foregoing paragraph, the Owners have no right to demand purchase of Series 2011A Bonds pursuant to this Section from the third Business Day prior to a Mandatory Purchase Date until after such Mandatory Purchase Date.

If for any reason a vacancy exists in the office of Remarketing Agent, a Tender Notice delivered to the Trustee only will be sufficient for purposes of the Indentures.

Immediately upon receipt by the Trustee of a Tender Notice delivered pursuant to the foregoing provisions or such notice of demand for purchase as is required by a Representation Letter, the Trustee will notify the other Notice Parties of such receipt and the contents thereof by Electronic Notice. Upon delivery, pursuant to the terms of the applicable Indenture, of the Series 2011A Bond which is the subject of such purchase, the Trustee will hold such Series 2011A Bond pending delivery in accordance with the terms of the applicable Indenture.

Any Tender Notice by any Owner will be irrevocable. If such Owner is required but fails to deliver the Series 2011A Bond referred to in a Tender Notice to the Trustee, such Series Bond will constitute an Undelivered Bond with the consequences set forth in the applicable Indenture.

***Procedure for Purchase.*** Each Series 2011A Bond as to which a Tender Notice for purchase on a Purchase Date has been delivered by an Owner pursuant to the applicable Indenture, or which is subject to mandatory tender for purchase on a Mandatory Purchase Date, will be purchased on such date at the applicable Purchase Price but solely from the sources of payment described below. Unless otherwise provided in a Representation Letter, all Series 2011A Bonds required to be purchased in accordance with the Indenture will be tendered for purchase by delivery to the Trustee at its Corporate Trust Office on or prior to the Purchase Date or Mandatory Purchase Date, as applicable, and, will be purchased but solely from the sources of payment provided in the Indentures.

The Remarketing Agent has agreed to use its best efforts to remarket the Series 2011A Bonds pursuant to the applicable Indenture at the minimum interest rate available in the marketplace (but under no circumstances less than 0%) to permit the Remarketing Agent to remarket the Series 2011A Bonds of such series on the Purchase Date or Mandatory Purchase Date, as applicable, at the principal amount thereof. If the Remarketing Agent remarkets any Series 2011A Bonds pursuant to the applicable Indenture to the District, the Remarketing Agent and the District will promptly provide written notice to the Liquidity Provider and the Trustee stating the amount of Series 2011A Bonds purchased.

Series 2011A Bonds subject to purchase on a Purchase Date or a Mandatory Purchase Date will be purchased from the Owners thereof at the Purchase Price, which will be payable solely from the following sources in the order listed:

- (i) Immediately available funds on deposit in the Remarketing Proceeds Account;
  - (ii) Immediately available funds on deposit in the Liquidity Facility Purchase Account;
- and
- (iii) Immediately available funds on deposit in the District Purchase Account.

See the caption “—Purchase Fund” below for a description of the Remarketing Proceeds Account, Liquidity Facility Purchase Account and District Purchase Account.

At or before 11:15 a.m. on the Business Day immediately preceding each Purchase Date or Mandatory Purchase Date, the Remarketing Agent: (i) unless otherwise provided in a Representation Letter, is to deliver to the Trustee instructions for registration of Series 2011A Bonds of a series remarketed in accordance with the applicable Indenture; and (ii) is to give Electronic Notice to the Trustee, the Liquidity Provider and the District, specifying the aggregate principal amount of Series 2011A Bonds not remarketed which must be purchased by the Liquidity Provider or the District on such date, if any, and the amount of proceeds from the remarketing that will be delivered by the Remarketing Agent to the Trustee on such date, if any. At or prior to 11:15 a.m. on each Purchase Date or Mandatory Purchase Date, the Remarketing Agent will cause to be delivered to the Trustee in immediately available funds the proceeds of the remarketing of Series 2011A Bonds, if any; provided, however, that if the Series 2011A Bonds are registered in the name of a Bond Depository or its nominee, and if the amount of such remarketing proceeds is sufficient to pay the Purchase Price of all Series 2011A Bonds to be purchased on the Purchase Date or Mandatory Purchase Date, as applicable, the Remarketing Agent may apply such remarketing proceeds to the appropriate accounts of such Bond Depository to effect payment of the Purchase Price of Series 2011A Bonds in accordance with the procedures established by such Bond Depository.

If the amount of proceeds from the remarketing of Series 2011A Bonds delivered to the Trustee indicates that Series 2011A Bonds are required to be purchased from the proceeds of a drawing under the Liquidity Facility, the Trustee will draw on the Liquidity Facility as provided under the subcaption “—Liquidity Facility” below and give Electronic Notice to the District at or prior to 11:30 a.m. on such date specifying the information set forth in the foregoing paragraph. The aggregate amount of Series 2011A Bonds specified in such notice to be purchased from the proceeds of a drawing under the Liquidity Facility may not be reduced. If the amount of proceeds from the remarketing delivered to the Trustee plus the proceeds received by the Trustee from a drawing under the Liquidity Facility as described under the subcaption “—Liquidity Facility” below is not sufficient to pay the Purchase Price of the Series 2011A Bonds to be purchased, the Trustee will give Electronic Notice to the District at or prior to 12:15 p.m. on such date specifying the amount required to enable the Trustee to pay the Purchase Price of the tendered Series 2011A Bonds. Upon receipt of such notice the District will deposit with the Trustee in the District Purchase Account, by 2:00 p.m. on such date, immediately available funds in an amount together with the remarketing proceeds plus the proceeds received by the Trustee from a drawing under the Liquidity Facility, to enable the Trustee to pay the Purchase Price of the tendered Bonds.

Notwithstanding any provision to the contrary contained in the Indentures, all Liquidity Provider-Owned Bonds, except Series 2011A Bonds being registered on such date in the name of, or on behalf of, the Liquidity Provider pursuant to the foregoing paragraph, will be deemed tendered to the Remarketing Agent on each Business Day without the need for any Tender Notice or delivery of such Series 2011A Bonds. The Remarketing Agent will remarket such Liquidity Provider-Owned Bonds on each Business Day in accordance with the Indentures and the Remarketing Agreement. The Remarketing Agent will immediately notify the Liquidity Provider by Electronic Notice when Liquidity Provider-Owned Bonds have been remarketed in accordance with the Indentures and the Remarketing Agreement.

Unless otherwise provided in a Representation Letter, on each Purchase Date or Mandatory Purchase Date, all Series 2011A Bonds which: (i) have been remarketed will be registered as directed by the Remarketing Agent; or (ii) are required to be purchased by a Liquidity Provider will be immediately registered in the name of the Liquidity Provider or its designee as directed by the Liquidity Provider. The Trustee will make such Bonds available at its Corporate Trust Office. In the absence of any instructions from the Liquidity Provider, Liquidity Provider-Owned Bonds will be held by the Trustee. The Trustee will not release remarketed Liquidity Provider-Owned Bonds held by it until the Liquidity Facility has been reinstated as a result of such remarketing and the Trustee receives, and holds for the Liquidity Provider, the remarketing proceeds thereof.

The Remarketing Agent will continue to use its best efforts to remarket Liquidity Provider-Owned Bonds at a price which, together with any moneys to be provided by the District under the Indentures, will equal the principal amount thereof plus accrued and unpaid interest thereon to such date. The Liquidity Provider (or any subsequent Owner of a Liquidity Provider-Owned Bond) has the right, by written notice or by telephonic notice, promptly confirmed in writing, to the Remarketing Agent and the Trustee, to elect not to sell the Liquidity Provider-Owned Bonds or any portion thereof. From and after any sale by the Remarketing Agent and receipt by the Trustee on behalf of the Liquidity Provider (or any subsequent Owner of the Liquidity Provider-Owned Bonds) of the Purchase Price therefor (including accrued interest to the date of delivery) and notification by the Liquidity Provider of the reinstatement of the applicable Liquidity Facility in the principal amount equal to such Liquidity Provider-Owned Bonds, or in the event of any such election not to sell the Liquidity Provider-Owned Bonds, such Bonds will cease to be Liquidity Provider-Owned Bonds and will bear interest as provided herein for Series 2011A Bonds other than Liquidity Provider Bonds.

The Trustee will pay from the funds specified in the applicable Indenture, the Purchase Price for each tendered Series 2011A Bond at or prior to 3:00 p.m. on the Purchase Date or Mandatory Purchase Date, as the case may be. The Purchase Price of any Series 2011A Bond so tendered is payable only upon surrender of such Series 2011A Bond to the Trustee at its Corporate Trust Office for delivery of such Series 2011A Bond, except that payment of the Purchase Price of any Series 2011A Bond tendered for purchase or otherwise purchased pursuant to a Representation Letter will be made in immediately available funds and in such manner as the Bond Depository and the Trustee agree.

**Liquidity Facility.** The District may cause the Credit Facility or any other Liquidity Facility to be terminated on any Business Day, subject to the provisions of the Indenture with respect to a Mandatory Purchase Date with respect to such termination. The District may, but is not required to, replace any terminating Liquidity Facility with a new Liquidity Facility.

While the Credit Facility or another Liquidity Facility is in effect, on each Purchase Date or Mandatory Purchase Date, the Trustee will prior to 12:00 noon, draw on the Liquidity Facility in accordance with the terms thereof so as to receive thereunder by 1:00 p.m. on such date an amount, in immediately available funds, sufficient, together with the proceeds of the remarketing of Series 2011A Bonds on such date, to enable the Trustee to pay the Purchase Price of all Series 2011A Bonds due on such Purchase Date or Mandatory Purchase Date, as applicable. In connection with any Mandatory Purchase Date due to the substitution of a new Liquidity Facility for a current Liquidity Facility, the Trustee will draw on the current Liquidity Facility and not the new Liquidity Facility to pay the Purchase Price of the Series 2011A Bonds in connection with said substitution. If the Trustee has not received the notice specifying the amount of proceeds of the remarketing of Series 2011A Bonds on a Purchase Date or Mandatory Purchase Date, the Trustee will draw on the Liquidity Facility in an amount sufficient to enable the Trustee to pay the Purchase Price of all Series 2011A Bonds due on such Purchase Date or Mandatory Purchase Date, as applicable. The proceeds of such draw will immediately be transferred to the Trustee, who will deposit said proceeds in the Liquidity Facility Purchase Account.

Notwithstanding the provisions of the foregoing paragraph, the Trustee will not draw on the Liquidity Facility with respect to any payments due or made in connection with Liquidity Provider-Owned Bonds or Series 2011A Bonds registered in the name of the District or Series 2011A Bonds held for the account of the District. The District agrees to provide the Trustee written notice of any Series 2011A Bonds held for the account of the District and the Trustee may conclusively rely on such notice as to any Series 2011A Bonds held for the account of the District.

The District has no obligation to maintain the Credit Facility or any other Liquidity Facility in effect for any period of time regardless of which Mode is in effect for the Series 2011A Bonds.

In determining the amount of any the Purchase Price of any Series 2011A Bond payable from a draw on a Liquidity Facility on any Purchase Date or Mandatory Purchase Date, the Trustee will not take into

consideration any Purchase Price due on Series 2011A Bonds registered in the name of the District or any affiliate of the District to the extent identified to a Responsible Officer of the Trustee in writing or in the name of the Liquidity Provider and no demand for purchase under the applicable Liquidity Facility will be made to pay the Purchase Price of any Series 2011A Bonds registered in the name of the District or any affiliate of the District to the extent identified in writing to a Responsible Officer of the Trustee or in the name of the Liquidity Provider.

## **Purchase Fund**

There has been established and there will be maintained with the Trustee, separate funds for each series of the Series 2011A Bonds to be known as the Purchase Fund. The Trustee will further establish a separate account within each Purchase Fund to be known as the “Liquidity Facility Purchase Account,” a separate account within each Purchase Fund to be known as the “Remarketing Proceeds Account” and a separate account within each Purchase Fund to be known as the “District Purchase Account.” The Trustee may establish such subaccounts in the accounts in each Purchase Fund as the Trustee may determine appropriate.

**Remarketing Proceeds Account.** Upon receipt of the proceeds of a remarketing of Series 2011A Bonds on a Purchase Date or Mandatory Purchase Date, the Trustee will deposit such proceeds in the Remarketing Proceeds Account for application to the Purchase Price of the Series 2011A Bonds in accordance with the applicable Indenture. Notwithstanding the foregoing, upon the receipt of the proceeds of a remarketing of Liquidity Provider-Owned Bonds, the Trustee will immediately pay such proceeds to the Liquidity Provider to the extent of any amount owing to the Liquidity Provider.

**Liquidity Facility Purchase Account.** Upon receipt from the Trustee of the immediately available funds transferred to the Trustee from the Credit Facility or another Liquidity Facility, the Trustee will deposit such money in the Liquidity Facility Purchase Account for application to the Purchase Price of the Series 2011A Bonds to the extent that the monies on deposit in the Remarketing Proceeds Account are not sufficient. Any amounts deposited in the Liquidity Facility Purchase Account and not needed with respect to any Purchase Date or Mandatory Purchase Date for the payment of the Purchase Price for any Series 2011A Bonds will be immediately returned to the Liquidity Provider.

**District Purchase Account.** Upon receipt from the Trustee of the immediately available funds transferred to the Trustee on a Purchase Date or Mandatory Purchase Date by the District, the Trustee will deposit such money in the District Purchase Account for application to the Purchase Price of the Series 2011A Bonds to the extent that the monies on deposit in the Remarketing Proceeds Account and the Liquidity Facility Purchase Account are not sufficient. Any amounts deposited in the District Purchase Account and not needed with respect to any Purchase Date or Mandatory Purchase Date, for the payment of the Purchase Price for any Series 2011A Bonds will be immediately returned to the District.

Amounts held in the Liquidity Facility Purchase Account and the Remarketing Proceeds Account by the Trustee will be held uninvested.

## **Changes in Mode**

**General.** Subject to the provisions of the applicable Indenture, the District may effect a Change in Mode with respect to one or both series of Series 2011A Bonds (except with respect to a Change in Mode to the Index Mode, which is described under the subcaption “—Change in Mode to Index Mode” below) by delivering to the Trustee, with copies to the other Notice Parties, a Notice of Change in Mode stating: (A) the election to change the Mode to which such series of Series 2011A Bonds are then subject (the “**Current Mode**”) to a different Mode (the “**New Mode**”), the type of which will be specified; (B) the date on which such series of Series 2011A Bonds are required to be purchased pursuant to the provisions described above under the caption “—Purchase of Series 2011A Bonds—Procedure for Purchase,” which will be the date as of

which the New Mode takes effect and a Business Day immediately following the end of an Adjustment Period, or a Business Day on which such series of Series 2011A Bonds would be subject to redemption at the option of the District; and (C) a form of notice of mandatory tender for purchase satisfying the requirements described above under the caption “—Mandatory Tender for Purchase—Notice of Mandatory Tender of Series 2011A Bonds for Purchase.” *A mandatory tender for purchase will not be effected for a Change in Mode from the Daily Mode to the Weekly Mode and vice versa.*

Not less than seven days prior to a proposed Change in Mode, and in reliance upon a Notice of Change in Mode, the Trustee will give written notice, in the form prepared by the District and delivered to the Trustee pursuant to the immediately preceding paragraph, to the Owners and the Liquidity Provider of the mandatory tender for purchase of all Outstanding Series 2011A Bonds of such series as described above under the caption “—Mandatory Tender for Purchase” in connection with the Change in Mode.

The New Mode will take effect only if the following conditions are satisfied: (i) by 9:00 a.m. on the date of the proposed Change in Mode: (A) if a Liquidity Facility is to be in effect during the New Mode, the interest portion of the Liquidity Facility is in an amount equal to or greater than the Liquidity Facility Interest Amount for the applicable Mode; and (B) if the New Mode is the Fixed Rate Mode, the Trustee and the Remarketing Agent have received a Fixed Rate Terms Certificate; and (ii) the Trustee has received sufficient remarketing proceeds of the Series 2011A Bonds of such series in the New Mode to pay the Purchase Price of the Bonds subject to mandatory tender for purchase in connection with the Change in Mode. If such conditions are satisfied, then the New Mode will take effect on the date of the proposed Change in Mode. If such conditions are not satisfied, then: (a) all Outstanding Series 2011A Bonds of such series will be purchased on the Mandatory Purchase Date as described above under the caption “—Mandatory Tender for Purchase;” (b) all Outstanding Series 2011A Bonds of such series will continue to be subject to the Daily Mode or the Weekly Mode, as applicable; and (c) the Trustee will, within five Business Days after the date of the proposed Change in Mode, send notice to the Notice Parties stating that the conditions to the Change in Mode have not all been satisfied and informing them of the consequences thereof, as described in the applicable Indenture.

***Change in Mode to Index Mode.*** The District, by written Notice of Change in Mode to the other Notice Parties, may elect that there be a Change in Mode such that one or both the Series 2011A Bonds will bear interest in an Index Mode. Such direction of the District must specify:

(i) the effective date of the Change in Mode to an Index Mode, which must be: (x) a Business Day not earlier than the seventh day following the date such direction is given; (y) the day immediately following the last day of the then-current Adjustment Period; or (z) a day on which the Series 2011A Bonds would otherwise be subject to optional redemption if such change did not occur;

(ii) the related Call Protection Date; and

(iii) the Business Day that the District elects to be the Scheduled Mandatory Tender Date of the Tender Period commencing on the effective date of the Change in Mode to an Index Mode (provided that the Scheduled Mandatory Tender Date may not be earlier than three months after the commencement of the Tender Period).

### **Undelivered Bonds**

Any Series 2011A Bond which is subject to mandatory tender for purchase in accordance with the provisions described under the caption “—Mandatory Tender for Purchase” which is not tendered for purchase as required by the applicable Indenture, will constitute an Undelivered Bond and will nonetheless be deemed to have been so tendered and, upon provision for payment of the Purchase Price thereof from the applicable funds specified under the caption “—Purchase of Series 2011A Bonds—Procedure for Purchase,” will be deemed to have been purchased on the Purchase Date or the Mandatory Purchase Date, after which no interest will accrue on such Series 2011A Bond for the benefit of the Owner required to tender such Series 2011A Bond from and

after such Purchase Date or Mandatory Purchase Date, as applicable, and such Owner will have no rights under the applicable Indenture as the Owner of such Series 2011A Bond except the right to receive the Purchase Price thereof from the funds available therefor, as described under the caption “—Purchase of Series 2011A Bonds—Procedure for Purchase.”

### **Special Considerations Relating to the Series 2011A Bonds**

***The Remarketing Agent is Paid by the District.*** The Remarketing Agent’s responsibilities include determining the interest rate from time to time and using its best efforts to remarket the Series 2011A Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Remarketing Agreement), all as further described in this Remarketing Statement. The Remarketing Agent is appointed by the District and is paid by the District for its services. As a result, the interests of the Remarketing Agent may differ from those of existing holders and potential purchasers of Series 2011A Bonds.

***The Remarketing Agent Routinely Purchases Series 2011A Bonds for Its Own Account.*** The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, may purchase such obligations for its own account in order to achieve a successful remarketing of the Series 2011A Bonds (i.e., because there otherwise are not enough buyers to purchase the Series 2011A Bonds) or for other reasons. The Remarketing Agent is permitted to purchase tendered Series 2011A Bonds for its own account; however, the Remarketing Agent is not obligated to purchase any variable rate demand obligations, including the Series 2011A Bonds, and may cease doing so at any time without notice.

The Remarketing Agent also may make a market in the Series 2011A Bonds by routinely purchasing and selling Series 2011A Bonds other than in connection with an optional tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Series 2011A Bonds.

The Remarketing Agent also may sell any Series 2011A Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Series 2011A Bonds. The purchase of Series 2011A Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the Series 2011A Bonds in the market than is actually the case. The practices described above also may reduce the supply of Series 2011A Bonds that may be tendered in a remarketing.

***Series 2011A Bonds May Be Offered at Different Prices on any Date, Including an Interest Rate Determination Date.*** Pursuant to the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Series 2011A Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable interest rate determination date. The interest rate will reflect, among other factors, the level of market demand for the Series 2011A Bonds (including whether the Remarketing Agent is willing to purchase Series 2011A Bonds for its own account). There may or may not be Series 2011A Bonds tendered and remarketed on an interest rate determination date, the Remarketing Agent may or may not be able to remarket any Series 2011A Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Series 2011A Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Series 2011A Bonds at the remarketing price. In the event that a Remarketing Agent owns any Series 2011A Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Series 2011A Bonds on any date, including an interest rate determination date, at a discount to par to some investors.

***The Ability to Sell the Series 2011A Bonds Other Than Through Tender Process May Be Limited.*** The Remarketing Agent may buy and sell Series 2011A Bonds other than through the tender process described herein. However, it is not obligated to do so, may cease doing so at any time without notice and may require

holders that wish to tender their Series 2011A Bonds to do so through the Trustee with appropriate notice. Investors who purchase the Series 2011A Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Series 2011A Bonds other than by tendering the Series 2011A Bonds in accordance with the tender process as provided in the Indentures.

Under certain circumstances, the Credit Facility Provider is not obligated to purchase tendered Series 2011A Bonds. In addition, the Credit Facility Provider may fail to purchase tendered Series 2011A Bonds even when it is obligated to do so. In both cases, tendered Series 2011A Bonds would be returned to the holders thereof and bear interest at the Maximum Rate until such Bonds can be remarketed. It is not certain that following a failure to purchase Series 2011A Bonds a secondary market for the Series 2011A Bonds will develop.

***Under Certain Circumstances, the Remarketing Agent May Be Removed, Resign or Cease Remarketing the Series 2011A Bonds, Without a Successor Being Named.*** Under certain circumstances the Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the Remarketing Agreement and the Indentures. In the event that there is no Remarketing Agent for the Series 2011A Bonds, the Trustee may assume such duties as described in the Indentures.

See the caption “REMARKETING AGENT.”

### **Redemption of Series 2011A Bonds**

***Optional Redemption.*** The Series 2011A Bonds in the Daily Mode or the Weekly Mode are subject to redemption at the option of the District in whole, or in part in Authorized Denominations, on any Business Day, at a Redemption Price equal to 100% of the principal amount of the Series 2011A Bonds being redeemed plus unpaid accrued interest, if any, to such Redemption Date, without premium.

***Mandatory Redemption.*** The Series 2011A-1 Bonds are subject to mandatory redemption in part on October 1, 2024 and on each October 1 thereafter, upon notice as described under the caption “—Notice of Redemption,” at a Redemption Price equal to 100% of the principal amount of the Series 2011A-1 Bonds to be redeemed, without premium, in the years and principal amounts as follows:

#### **SERIES 2011A-1 BONDS DUE OCTOBER 1, 2037**

<b><i>Mandatory Redemption Dates (October 1)</i></b>	<b><i>Principal Amount of Series 2011A-1 Bonds to be Redeemed</i></b>
2024	\$2,100,000
2025	2,220,000
2026	2,280,000
2027	2,400,000
2028	2,460,000
2029	2,580,000
2030	2,700,000
2031	2,820,000
2032	2,880,000
2033	3,000,000
2034	3,120,000
2035	3,240,000
2036	3,420,000
2037 (maturity)	3,540,000

The Series 2011A-2 Bonds are subject to mandatory redemption in part on October 1, 2024 and on each October 1 thereafter, upon notice as described under the caption “—Notice of Redemption,” at a Redemption Price equal to 100% of the principal amount of the Series 2011A-2 Bonds to be redeemed, without premium, in the years and principal amounts as follows:

**SERIES 2011A-2 BONDS DUE OCTOBER 1, 2037**

<i><b>Mandatory Redemption Dates (October 1)</b></i>	<i><b>Principal Amount of Series 2011A-2 Bonds to be Redeemed</b></i>
2024	\$1,400,000
2025	1,480,000
2026	1,520,000
2027	1,600,000
2028	1,640,000
2029	1,720,000
2030	1,800,000
2031	1,880,000
2032	1,920,000
2033	2,000,000
2034	2,080,000
2035	2,160,000
2036	2,280,000
2037 (maturity)	2,360,000

Upon any purchase and cancellation of Series 2011A Bonds of a series by the District or any redemption of Series 2011A Bonds of a series pursuant to the optional redemption provisions of the applicable Indenture described under the caption “—Optional Redemption,” an amount equal to the aggregate principal amount of Series 2011A Bonds of such series so purchased or redeemed will be credited toward a part or all of any one or more yearly mandatory redemptions required by the applicable Indenture, as directed in writing by the District, provided that such direction is received by the Trustee at least 45 days before the date of such mandatory redemption. Any such direction will state the years in which and the amounts by which such mandatory redemptions are to be reduced. The portion of any such mandatory redemption remaining after the deduction of any such amounts credited toward the same (or the original amount of any such mandatory redemption if no such amounts have been credited toward the same) constitutes the unsatisfied balance of such mandatory redemption for the purpose of the calculation of payments due on October 1 in any future year.

***Optional Redemption of Liquidity Provider-Owned Bonds.*** Notwithstanding anything in the Indentures to the contrary, Liquidity Provider-Owned Bonds are subject to redemption, in whole or in part in Authorized Denominations at the option of the District on any Business Day at a Redemption Price of 100% of the principal amount of the Liquidity Provider-Owned Bonds to be redeemed, without premium, plus unpaid accrued interest to the Redemption Date. If such optional redemption is for a portion of the Outstanding Series 2011A Bonds, Liquidity Provider-Owned Bonds will be selected for redemption by the Trustee prior to selecting any other Series 2011A Bonds, The amount of Series 2011A Bonds to be redeemed will, if required, be adjusted downward to the extent necessary to result in Series 2011A Bonds being redeemed only in Authorized Denominations.

**Selection of Series 2011A Bonds for Redemption**

Whenever less than all the Outstanding Series 2011A Bonds are to be redeemed, and there are no Liquidity Provider-Owned Bonds which have not been selected for redemption pursuant to the applicable Indenture, the District may select the principal amount of each maturity of the Series 2011A Bonds to be redeemed. If not otherwise provided in the applicable Indenture, whenever less than all Outstanding Series 2011A Bonds of a maturity are to be redeemed on any one date, the Trustee will select the Series 2011A Bonds



of such maturity to be redeemed from the Outstanding Series 2011A Bonds of such maturity by lot, or in such other manner as the Trustee deems fair.

### **Notice of Redemption**

Notice of redemption will be given by Mail by the Trustee to the Remarketing Agent, the Liquidity Provider and the Owners of any Series 2011A Bonds designated for redemption in whole or in part no less than 15 days (or, if the District effects a Change in Mode to the Weekly Mode, 30 days) nor more than 60 days prior to the Redemption Date. So long as DTC, or its nominee Cede & Co., is the registered owner of all the Series 2011A Bonds of a series, notices of redemption will be given to DTC. See the caption “—Book-Entry Only System” below.

Each notice of redemption will state the Redemption Date, the redemption place and the Redemption Price, the maturity dates of the Series 2011A Bonds to be redeemed and designate the numbers of the Series 2011A Bonds to be redeemed if less than all of the Outstanding Series 2011A Bonds of a maturity are to be redeemed, will (in the case of any Series 2011A Bond called for redemption in part only) state the portion of the principal amount thereof which is to be redeemed, and state that, if the Trustee holds sufficient available funds to pay the Redemption Price of the Series 2011A Bonds to be redeemed on the Redemption Date, the interest thereon or portions thereof designated for redemption will cease to accrue from and after such Redemption Date and that on such Redemption Date there will become due and payable on the Series 2011A Bonds or portions thereof designated for redemption the Redemption Price thereof. The failure of any Owner to receive such notice will not affect the validity of the redemption of any Series 2011A Bonds.

With respect to any notice of any optional redemption of Series 2011A Bonds, unless at the time such notice is given the Trustee holds sufficient available funds to pay the Redemption Price of the Series 2011A Bonds to be redeemed, such notice will state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the Redemption Price of the Series 2011A Bonds to be redeemed, and that if such moneys have not been so received said notice will be of no force and effect and the District will not be required to redeem such Series 2011A Bonds. In the event that a notice of redemption of Series 2011A Bonds contains such a condition and such moneys are not so received, the redemption of such Series 2011A Bonds as described in the conditional notice of redemption will not be made and the Trustee will, within a reasonable time after the date on which such redemption was to occur, give notice to the persons who received such notice of redemption and in the manner in which the notice of redemption was given, that such moneys were not so received and that there will be no redemption of Series 2011A Bonds pursuant to such notice of redemption.

Any notice of redemption mailed as provided in the applicable Indenture will be conclusively presumed to have been given, whether or not actually received by any Owner.

### **Allocation of Credits for Purchased or Redeemed Series 2011A Bonds**

Except as otherwise provided in the applicable Indenture, the principal amount of any Series 2011A Bonds of a series purchased and cancelled by the District, or redeemed by the District, will be credited proportionally to all Improvement Districts and the Included Amount for each Improvement District will be reduced by such Improvement District’s Included Percentage (calculated immediately before such purchase or redemption) of the purchased or redeemed Series 2011A Bonds of such series.

In the event that Series 2011A Bonds are purchased for cancellation or redeemed with funds provided by one or more Improvement Districts other than funds provided proportionately with all other Improvement Districts, the principal amount of any Series 2011A Bonds purchased and cancelled by the District, or redeemed by the District, will be credited proportionally to all such contributing Improvement Districts and the Included Amount for each such Improvement District will be reduced by such Improvement District’s proportional contribution to the purchase price of such purchased Series 2011A Bonds and the Redemption

Price of such redeemed Series 2011A Bonds and the Included Percentage (calculated immediately before such purchase or redemption) of the purchased or redeemed Series 2011A Bonds.

Immediately following each purchase of Series 2011A Bonds by the District for cancellation and each redemption of Series 2011A Bonds and the allocation of credits in connection with such purchase and redemption in accordance with the provisions of the applicable Indenture, as applicable, the Included Percentages for all Improvement Districts will be recomputed for all purposes after such redemption in the following manner:

$$\frac{\text{Improvement District's Included Amount after purchase or redemption}}{\text{Total Amount of Outstanding Series 2011A Bonds after purchase or redemption}} = \text{Included Percentage, as adjusted}$$

**Book-Entry Only System**

One fully-registered Series 2011A Bond of each series has been issued in the outstanding principal amount of the Series 2011A Bonds of such series. The Series 2011A Bonds are registered in the name of Cede & Co. and have been deposited with DTC. So long as DTC, or its nominee Cede & Co., is the registered owner of all the Series 2011A Bonds of a series, all payments of principal, Purchase Price and Redemption Price of and interest on the Series 2011A Bonds will be made directly to DTC. Disbursement of such payments to the DTC Participants will be the responsibility of DTC. Disbursement of such payments to the Beneficial Owners of the Series 2011A Bonds of such series will be the responsibility of the DTC Participants as more fully described herein. See Appendix E—“BOOK-ENTRY SYSTEM.”

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository) for a series of Series 2011A Bonds. In that event, such Series 2011A Bonds will be printed and delivered and will be governed by the provisions of the applicable Indenture with respect to payment of principal, Purchase Price, Redemption Price and interest and rights of exchange and transfer.

The District cannot and does not give any assurances that DTC Participants or others will distribute payments with respect to the Series 2011A Bonds received by DTC or its nominee as the registered Owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will service and act in the manner described in this Remarketing Statement. See Appendix E hereto for additional information concerning DTC.

**SECURITY FOR THE SERIES 2011A BONDS**

**General**

**Sources of Payment.** The Series 2011A Bonds constitute the consolidated, several general obligations of the Improvement Districts payable from: (i) Assessment Proceeds collected from within each Improvement District and applied by the District to pay such Improvement District’s Included Amount of the principal, Purchase Price and Redemption Price of, and interest on, Outstanding Series 2011A Bonds of a series; (ii) Net Revenues of the District; and (iii) certain monies and investment earnings in certain funds and accounts created under the Indentures. See the caption “—Pledge of Assessment Proceeds and Revenues.” The District currently expects to pay a portion of scheduled debt service on the Series 2011A Bonds from a combination of Assessment Proceeds and Net Revenues and, to the extent that remarketing proceeds are insufficient, to pay the Purchase Price of the Series 2011A Bonds from Net Revenues.

**Authority for Issuance.** Elections were held in Improvement District Nos. 105, 113, 213 and 250 at which the qualified voters within each such improvement district authorized the District to incur an

indebtedness and issue general obligation bonds for each respective improvement district. See Appendix A under the caption “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness” for a discussion of the bond authorization, amount of outstanding bonds and remaining bond authorization for each of the Improvement Districts, including the bond authorizations of Improvement District Nos. 125 and 225 as the legal successors to former Improvement District Nos. 105 and 250, respectively. The Series 2011A Bonds are authorized for issuance pursuant to the Act and all laws of the State amendatory thereof or supplemental thereto.

***Covenant to Collect Assessment Proceeds.*** The District has covenanted in the Indentures that, to the extent necessary to provide Assessment Proceeds sufficient to pay when due, together with the other funds available for such payment, the principal of and interest on the Included Amount for each respective Improvement District, the District will: (a) fix and collect, or cause the fixing and collection of, *ad valorem* assessments on taxable land within the applicable Improvement District; (b) pursue any remedy available to collect, or cause the collection of, delinquent *ad valorem* assessments and apply amounts realized from the sale of any property for the enforcement of delinquent *ad valorem* assessments to the payment of principal of and interest on the Included Amount of Series 2011A Bonds of a series of the applicable Improvement District; or (c) in its discretion, impose and collect, or cause the imposition and collection of In Lieu Charges for water or sewer service, as applicable, in the applicable Improvement District in lieu of *ad valorem* assessments.

***Revenue Rate Covenant.*** The District has also covenanted in the Indentures, to the fullest extent permitted by law, to fix, prescribe and collect Revenues which, together with any *ad valorem* assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, will be at least sufficient to yield during each Fiscal Year Net Revenues which are at least equal to 125% of Aggregate Debt Service payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but will not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the foregoing requirements.

In addition, certain of the Prior Reimbursement Agreements described under the caption “—Existing Parity Obligations” related to outstanding *ad valorem* assessment bonds of the District, and certain swap agreements entered into by the District, have covenants related to the setting of rates and charges with which the District is contractually obligated to comply.

***Additional Covenants.*** See Appendix C—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES” under the caption “CERTAIN COVENANTS” for a summary of additional covenants of the District under the Indentures.

***Pledge of Trust Estate.*** Pursuant to each Indenture, the District has pledged the Trust Estate thereunder to secure the payment of the series of Series 2011A Bonds issued thereunder. The “Trust Estate” under each Indenture consists of the following:

(A) The Bond Payment Fund (defined below) established under such Indenture, including all accounts in such fund, and all of the monies in such fund and accounts and the investments, if any, thereof, and all income and proceeds derived from such investments; and

(B) Subject to the application on the terms and conditions contained in such Indenture, Revenues of the District.

#### **Pledge of Assessment Proceeds and Revenues**

Subject to the application of the Revenues on the terms and conditions provided in the applicable Indenture, Revenues have been irrevocably pledged to the payment when due of the principal, Purchase Price and Redemption Price of, and interest on, the Outstanding series of Series 2011A Bonds, which pledge will be

on a parity with any pledge of Revenues securing other Parity Obligations. Such pledge constitutes a pledge of and charge and lien upon the Revenues for the payment of the principal, Purchase Price and Redemption Price of, and interest on, the Outstanding Series 2011A Bonds of such series and all other Parity Obligations in accordance with the terms of the applicable Indenture and the applicable series of Series 2011A Bonds after payment from the Revenues of the Operation and Maintenance Expenses, and the funding of contingency reserves therefor, as provided in the applicable Indenture.

THE SERIES 2011A BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA OTHER THAN THE DISTRICT AND THE IMPROVEMENT DISTRICTS AS PROVIDED IN THE INDENTURES. NO FUNDS OF THE DISTRICT OR THE IMPROVEMENT DISTRICTS, OTHER THAN THE FUNDS INCLUDED IN THE TRUST ESTATE, ARE LIABLE FOR THE PAYMENT OF THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THE SERIES 2011A BONDS. EXCEPT AS PROVIDED IN THE APPLICABLE INDENTURE WITH RESPECT TO THE TRUST ESTATE, NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS LIABLE FOR OR PLEDGED TO THE PAYMENT OF THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THE SERIES 2011A BONDS.

**Assessment Proceeds.** Assessment Proceeds means, with respect to any Improvement District: (i) *ad valorem* assessments on taxable land in such Improvement District levied pursuant to the Act; (ii) In Lieu Charges, consisting of water or sewer charges, as applicable, which in the discretion of the Board of Directors are fixed and collected in an Improvement District in lieu of *ad valorem* assessments pursuant to the Act; and (iii) proceeds from the sale of property in such Improvement District for the enforcement of delinquent assessments pursuant to the Act.

The Included Amount for each Improvement District with respect to the Series 2011A Bonds of a series and any other outstanding or future District general obligation bonds issued for such Improvement District are equally secured by the *ad valorem* assessments and any charges for water or sewer service, as applicable, imposed and collected in lieu of *ad valorem* assessments, collected within such Improvement District. The *ad valorem* assessments are levied only on land and are based on the land value of parcels in the Improvement District without regard to the value of any improvements thereon. See Appendix A—“IRVINE RANCH WATER DISTRICT” under the captions “THE IMPROVEMENT DISTRICTS—Improvement District Nos. 125 and 225” and “THE IMPROVEMENT DISTRICTS—Improvement District Nos. 113 and 213.”

**Net Revenues.** Net Revenues for any period consist of the Revenues of the District less the Operation and Maintenance Expenses of the District for such period. “**Revenues**” means:

(1) The water, sewer and recycled water rates and charges imposed by the District in connection with providing water, sewer and recycled water services to retail customers through the Operating Systems (as such term is defined in the Indentures), including commodity, service, standby, material treatment and connection charges, except: (i) such water, sewer and recycled water rates and charges levied in lieu of *ad valorem* assessments pursuant to Sections 36425 and 35975 of the Act; and (ii) customer deposits (together, the “**Utility Rates and Charges**”); and

(2) Other revenues of the District, including, without limiting the generality of the foregoing, the proceeds of any stand-by or natural treatment, connection and water availability charges; together with the District’s share of the Orange County, California 1% *ad valorem* property tax (to the extent not applied by the District to pay principal of and interest on Secured Bonds) and Investment Income;

but excluding in all cases: (i) customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District; (ii) any proceeds of taxes or *ad valorem* assessments restricted by law to be used by the District to pay bonds issued by the District, and the proceeds of

any actions to enforce delinquent *ad valorem* assessments so restricted; and (iii) water, sewer and recycled water rates and charges levied in lieu of *ad valorem* assessments pursuant to Sections 36425 and 35975 of the Act.

“**Operation and Maintenance Expenses**” consist of the costs and expenses paid or incurred by the District for operating and maintaining the Operating Systems (as such term is defined in the Indentures) including, but not limited to: (a) all costs of water generated or purchased by the District for resale; (b) all costs and expenses of providing services and commodities through or with the Operating Systems; (c) all costs and expenses of management of the Operating Systems; (d) all costs and expenses of maintenance and repair of, and other expenses necessary or appropriate in the judgment of the District to maintain and preserve, any of the Operating Systems in good repair and working order; (e) all administrative and general expenses, such as salaries and wages of employees, overhead, taxes (if any), insurance premiums, retirement benefits and health care benefits; (f) all deposits to be made to a contingency reserve for Operation and Maintenance Expenses; (g) all deposits to be made to a rebate fund established with respect to Parity Obligations to provide for any rebate to the United States required to maintain the tax-exempt status of interest on such Parity Obligations; (h) any cost or expense paid or incurred by the District to comply with requirements of law applicable to any of the Operating Systems or the ownership or operation thereof or any activity in connection therewith; and (i) any other cost or expense which, in accordance with Generally Accepted Accounting Principles, is to be treated as an expense of operating or maintaining any of the Operating Systems; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, and amortization of intangibles.

Net Revenues collected within any improvement district of the District, including the Improvement Districts, are available to make debt service payments on the Series 2011A Bonds.

#### **Allocation of Monies Under the Indentures**

*Allocation of Revenues.* In order to carry out and effectuate the pledge and lien on the Revenues contained in the Indentures, the District has agreed and covenanted in each Indenture that all Revenues received by it will be deposited when and as received in the Revenue Fund, which fund has been previously established by the District and which fund the District has agreed and covenanted to maintain as a special fund, separate and apart from other moneys of the District so long as any Series 2011A Bond of the applicable series remains Outstanding. All Revenues will be applied in the following order of priority:

First: to the payment of Operation and Maintenance Expenses (other than the funding of contingency reserves for Operation and Maintenance Expenses) as they become due and payable.

Second: to the funding of contingency reserves for Operation and Maintenance Expenses.

Third: (i) two Business Days before each Interest Payment Date, to a deposit to the Bond Payment Fund in an amount equal to the transfer to the Interest Account and Principal Account to be made on such Interest Payment Date; and (ii) on each date, other than an Interest Payment Date, on which the principal of an Outstanding Series 2011A Bond of a series becomes due, whether by mandatory redemption, acceleration, or otherwise, to a deposit to the Bond Payment Fund in an amount equal to the principal and Redemption Price of, and interest on, the Outstanding Series 2011A Bonds of such series coming due on such date. Notwithstanding the provisions of the immediately preceding sentence, no such deposit to the Bond Payment Fund need be made by the District to the extent that the Trustee then holds, or is concurrently receiving from the District from Assessment Proceeds or other sources that do not constitute Revenues, moneys for such purpose in the Bond Payment Fund, or being deposited in the Bond Payment Fund, available to pay the principal and Redemption Price of, and interest on, the Outstanding Series 2011A Bonds of such series to be paid with such deposit. The District will also pay to the party entitled thereto or transfer or cause to be transferred to any applicable debt service or other payment fund or account for any Parity Obligations (other than the principal and Redemption Price of, and interest on, the Outstanding Series 2011A Bonds of such series), without preference or priority, and in the event of any insufficiency of such moneys ratably

without any discrimination or preference, on the dates specified in the proceedings relating to such Parity Obligations, the sum or sums required to be paid or deposited in such debt service or other payment fund or account with respect to principal, premium, if any, and interest (including purchase price) on Parity Obligations (other than the principal and Redemption Price of, and interest on, the Outstanding Series 2011A Bonds of such series) in accordance with the terms of such Parity Obligations.

Fourth: the District will transfer or cause to be transferred to any applicable reserve fund or account for any Parity Obligations for which a separate reserve has been funded, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, the sum or sums, if any, equal to the amount required to be deposited therein in accordance with the terms of such Parity Obligations.

Fifth: to any lawful purpose of the District, including the payment of any Subordinate Obligations in accordance with the instruments authorizing such Subordinate Obligations, which application will be free and clear of the pledge and lien on Revenues created by the Indentures.

**Bond Payment Fund.** There have been established and created funds with the Trustee under the Indentures designated the “Bonds of Irvine Ranch Water District, Series 2011A-1 Bond Payment Fund” and the “Bonds of Irvine Ranch Water District, Series 2011A-2 Bond Payment Fund” (each, a “**Bond Payment Fund**”), respectively. The Trustee will transfer money contained in the Bond Payment Fund to the accounts described below at the following times in the manner provided in each Indenture, which accounts the Trustee has agreed to establish and maintain so long as the applicable Indenture is not discharged in accordance with the provisions thereof, and each such account constitutes a trust fund for the benefit of the Owners of the applicable series of Series 2011A Bonds, and the money in each such account will be disbursed only for the purposes and uses authorized in the applicable Indenture.

*Interest Account.* The Trustee, on each Interest Payment Date, will deposit in the Interest Account from money in the Bond Payment Fund an amount which, together with amounts already on deposit in the Interest Account, will be sufficient to pay interest on the Outstanding Series 2011A Bonds of such series due on such Interest Payment Date. Money in the Interest Account will be used and withdrawn by the Trustee on each Interest Payment Date solely for the payment of interest on the Outstanding Series 2011A Bonds of such series then due.

*Principal Account.* The Trustee, on each Principal Payment Date, will deposit in the Principal Account from money in the Bond Payment Fund such amount as is sufficient to pay the principal of the Outstanding Series 2011A Bonds of such series due on such Principal Payment Date. Money in the Principal Account will be used and withdrawn by the Trustee on each Principal Payment Date solely for the payment of the principal of Outstanding Series 2011A Bonds of such series then due.

*Redemption Account.* The Trustee will deposit in the Redemption Account amounts received from the District to pay the Redemption Price of Series 2011A Bonds of such series to be redeemed. Money in such Redemption Account will be used and withdrawn by the Trustee on each Redemption Date solely for the payment of the Redemption Price of Outstanding Series 2011A Bonds of such series upon the redemption thereof.

### **Existing Parity Obligations**

The District has entered into certain Parity Obligations described below. The reimbursement agreements described below relate to outstanding *ad valorem* assessment bonds:

(i) the Fifth Amended and Restated Reimbursement Agreement, dated as of April 1, 2011, by and between the District and Bank of America, N.A.;

(ii) the Reimbursement Agreement, dated May 7, 2015, by and between the District and U.S. Bank National Association;

(iii) the Reimbursement Agreement, dated as of April 1, 2011, by and between the District and Sumitomo Mitsui Banking Corporation;

(iv) the Amended and Restated Reimbursement Agreement, dated as of April 1, 2011, by and between the District and U.S. Bank National Association;

(v) the District's Series 2010B Bonds currently outstanding in the aggregate principal amount of \$175,000,000;

(vi) the Installment Sale Agreement securing the District's Certificates of Participation Irvine Ranch Water District Series 2016 currently outstanding in the aggregate principal amount of \$105,710,000; and

(vii) the District's Bonds of Irvine Ranch Water District Series 2016 (the "**Series 2016 Bonds**") currently outstanding in the aggregate principal amount of \$98,980,000.

The agreements described in clauses (i) through (iv) above are collectively referred to as the "**Prior Reimbursement Agreements.**"

There are currently no reimbursement obligations outstanding under the Prior Reimbursement Agreements, although the District may incur reimbursement obligations under the Prior Reimbursement Agreements as provided therein.

For a summary of the stated amount of each letter of credit associated with the Prior Reimbursement Agreements, see Appendix A under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Parity Obligations."

See the caption "THE CREDIT FACILITY" for a discussion of the Reimbursement Agreement entered into in connection with the Series 2011A Bonds.

### **Limitations on Parity and Superior Obligations**

***No Obligations Superior to Series 2011 Bonds.*** The District has covenanted in the Indentures that it will not create any pledge of, lien on or charge upon the Revenues with a priority prior to or senior to the pledge of the Revenues securing the Series 2011A Bonds and the Parity Obligations.

***Obligations on a Parity with the Series 2011A Bonds.*** Under the Indentures, the District may at any time issue additional Parity Obligations; provided:

(a) The Net Revenues, plus any *ad valorem* assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, for the Applicable Fiscal Year, as evidenced by both a calculation prepared by the District and a special report on such calculation prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on file with the District, are at least equal to 125% of the Aggregate Debt Service for the Applicable Fiscal Year; and

(b) Either of (1) or (2) below:

(1) The Net Revenues for the Applicable Fiscal Year, plus any adjustments to Net Revenues to give effect as of the first day of the Applicable Fiscal Year to increases or decreases in rates and charges of the District approved and in effect as of the date of calculation, plus any *ad valorem*

assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, produce an amount at least equal to 125% of the sum of: (i) the Aggregate Debt Service for such Applicable Fiscal Year; plus (ii) the Debt Service which would have accrued on any Parity Obligations issued since the end of the Applicable Fiscal Year assuming such Parity Obligations had been issued at the beginning of the Applicable Fiscal Year; plus (iii) the Debt Service which would have accrued had the additional Parity Obligations to be issued been issued at the beginning of the Applicable Fiscal Year; or

(2) The estimated Net Revenues for each Fiscal Year in the Test Period, plus an allowance for the estimated Net Revenues for each Fiscal Year in the Test Period arising from the completion of any uncompleted projects during the Test Period, plus any *ad valorem* assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, plus any increase in the income, rents, fees, rates and charges estimated to be received by the District and which are economically feasible and reasonably considered necessary based on projected operations for the Test Period, produce an amount in each Fiscal Year in the Test Period which is at least equal to 125% of the sum of: (i) Aggregate Debt Service in each such Fiscal Year on all then Outstanding Parity Obligations; plus (ii) the Debt Service in each such Fiscal Year on the additional Parity Obligations to be issued; plus (iii) the Debt Service in each such Fiscal Year on any additional Parity Obligations estimated by the District to be required to complete all uncompleted projects for which Parity Obligations have been or are being issued, assuming that all such additional Parity Obligations to complete uncompleted projects (other than the Parity Obligations to be issued) have maturities, interest rates and proportionate principal repayment provisions similar to the Parity Obligations then being issued.

(c) Notwithstanding the provisions of clauses (a) and (b), the District may at any time issue additional Parity Obligations to refund Outstanding Parity Obligations without satisfying any of the conditions set forth in such subsections if Aggregate Debt Service after the issuance of such additional Parity Obligations in each Fiscal Year in the Refunding Test Period is not greater than the Aggregate Debt Service in each such Fiscal Year before the issuance of such additional Parity Obligations.

(d) Notwithstanding the provisions of clauses (a) and (b), the District may at any time issue a Parity Obligation constituting a Credit Support Agreement securing a Parity Obligation without satisfying any of the conditions set forth in such subsections if such Credit Support Agreement: (i) replaces a Prior Reimbursement Agreement (or a successor to a Prior Reimbursement Agreement) and does not increase the principal of bonds secured by the letter of credit relating to such Prior Reimbursement Agreement; or (ii) the Parity Obligations secured by the Credit Support Instrument relating to such Credit Support Agreement have been issued in accordance with clauses (a) and (b).

In addition, certain of the Prior Reimbursement Agreements related to outstanding *ad valorem* assessment bonds of the District, and certain swap agreements entered into by the District, have conditions precedent to the issuance of Parity Obligations that are more stringent than those listed above.

***Obligations Subordinate to the Series 2011A Bonds.*** Nothing in the Indentures prevents the District from issuing Subordinate Obligations or granting a pledge of, lien on or charge upon the Revenues in all respects junior and subordinate to the payment of amounts due with respect to Parity Obligations to secure any such Subordinate Obligations. Nothing in the Indentures limits the District's payment of the Operation and Maintenance Expenses prior to the payment of the Parity Obligations as provided in the Indentures.

#### **Investment of Monies in Funds and Accounts Under the Indentures**

So long as the Series 2011A Bonds of a series are Outstanding and no Event of Default has occurred and is continuing, monies on deposit to the credit of the funds held by the Trustee under the applicable Indenture (except for the Remarketing Proceeds Account in the Purchase Fund) will, at the written request of the District, be invested by the Trustee in Permitted Investments. In the absence of written instruction from the District, the Trustee is directed to hold available funds uninvested. The Trustee is entitled to rely conclusively



on said instructions for purposes of the applicable Indenture and will have no duty to monitor the compliance thereof with the restrictions set forth in such Indenture. Subject to the limitations contained in Government Code Section 53601, monies in the funds held by the District will be invested by the District in Permitted Investments. All such investments will have maturity dates, or will be subject to redemption, at the option of the holder, on or prior to the dates the monies invested therein will be needed for the purposes of such funds. See Appendix C—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES” under the caption “DEFINITIONS” for the definition of Permitted Investments under the Indentures.

The Trustee may commingle any of the moneys held by it under the Indentures. The Trustee may present for redemption or sell any such deposit or investment whenever necessary in order to provide money to meet any payment of the money so deposited or invested. Any interest or profits on deposits and investments in the Bond Payment Fund received by the Trustee will be deposited in the applicable Interest Account as a credit against interest to come due on the applicable series of Outstanding Series 2011A Bonds.

See Appendix C—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES” under the caption “FUNDS AND ACCOUNTS—Investments.”

## **THE CREDIT FACILITY**

### **The Credit Facility Provider**

[TO COME FROM L/C BANK]

### **The Credit Facility**

[TO COME FROM L/C BANK COUNSEL]

## **THE IRVINE RANCH WATER DISTRICT**

For a description of the District and each of the Improvement Districts, see Appendix A—“IRVINE RANCH WATER DISTRICT.”

## **CONTINUING DISCLOSURE**

The District has covenanted in a Continuing Disclosure Certificate dated April 15, 2011 (the “**Continuing Disclosure Certificate**”) for the benefit of the Owners and beneficial owners of the Series 2011A Bonds to provide certain financial information and operating data relating to the District (each an “**Annual Report**”) by not later than 270 days following the end of the District’s fiscal year (which fiscal year ends on June 30), commencing with the Annual Report for Fiscal Year 2011, and to provide notices of the occurrence of certain enumerated events. The Annual Reports will be filed by the District with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System (“**EMMA**”) for the purpose of S.E.C. Rule 15c2-12(b)(5) (the “**Rule**”). The notices of enumerated events will be filed by the District with EMMA. The specific nature of the information to be made available and to be contained in the notices of enumerated events is contained in Appendix F—“FORM OF CONTINUING DISCLOSURE CERTIFICATE” hereto. These covenants have been made in order to assist the Remarketing Agent, as Participating Underwriter (as such term is defined in the Continuing Disclosure Certificate), in complying with the Rule.

[TO BE UPDATED] The District has previously entered into continuing disclosure undertakings under the Rule in connection with the issuance of municipal obligations. The District believes that it is currently in material compliance with all of its continuing disclosure undertakings. However, the District’s Annual Reports for Fiscal Year 2020 mistakenly omitted a table that was required to be updated annually in connection with two District bond issuances. Makeup filings containing the required information were posted

to EMMA prior to the date of this Remarketing Statement. Except as disclosed above, the District has not in the past five years failed to comply with its continuing disclosure undertakings in any material respect.

In order to promote compliance by the District with its continuing disclosure undertakings in the future, the District has developed policies and procedures to govern its continuing disclosure practices.

See the caption “INTRODUCTION—Improvement Districts—Improvement District Nos. 125 and 225” for a discussion of the consolidation of Improvement District Nos. 105 and 250 into Improvement District Nos. 125 and 225, respectively. As a result of such consolidations, Improvement District Nos. 125 and 225 are the legal successors to Improvement District Nos. 105 and 250, respectively, and Improvement District Nos. 105 and 250 no longer exist. Accordingly, since Fiscal Year 2014, the Annual Reports have contained information relating to Improvement District Nos. 125 and 225 rather than for Improvement District Nos. 105 and 250.

## LITIGATION

There is no action, suit or proceeding known to be pending, or to the knowledge of the District, threatened, in any way contesting or affecting the validity of, the Series 2011A Bonds or the Indentures. There is no litigation known to be pending, or to the knowledge of the District, threatened, questioning the existence of the District or the title of the officers of the District to their respective offices.

There exist lawsuits and claims against the District, which are incidental to the ordinary course of operations of the District’s water and sewer systems and related activities. In the view of the District’s management and General Counsel, there is no litigation, present or pending, or to the knowledge of the District, threatened, which will individually or in the aggregate materially impair the District’s ability to service its indebtedness or which will have a material adverse effect on the business operations of the District.

## RATINGS

S&P Global Ratings, a Standard & Poor’s Financial Services LLC business (“S&P”), is expected to assign the Series 2011A Bonds: (i) the long term rating of “\_\_” based on the understanding that, on February 8, 2024, the Credit Facility will be executed and delivered by the Credit Facility Provider to support the payment and purchase of the Series 2011A Bonds; and (ii) the short term rating of the Credit Facility Provider of “\_\_”.

Moody’s Investor’s Service, Inc. (“Moody’s”) is expected to assign the Series 2011A Bonds: (i) the long term rating of “\_\_” based on the understanding that, on February 8, 2024, the Credit Facility will be executed and delivered by the Credit Facility Provider to support the payment and purchase of the Series 2011A Bonds; and (ii) the short term rating of the Credit Facility Provider of “\_\_”.

Fitch Ratings, Inc. (“Fitch”) is expected to assign the Series 2011A Bonds: (i) the long term rating of “\_\_” based on the understanding that, on February 8, 2024, the Credit Facility will be executed and delivered by the Credit Facility Provider to support the payment and purchase of the Series 2011A Bonds; and (ii) the short term rating of the Credit Facility Provider of “\_\_”.

The District has made no attempt to seek an update to or affirmation of such ratings from the rating agencies in connection with the remarketing of the Series 2011A Bonds on February 8, 2024. Generally, rating agencies base their ratings on information and material furnished directly to them (which may include information and material from the District which is not included in this Remarketing Statement) and on investigations, studies and assumptions made by them. The ratings reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained from the applicable rating agency. Future events could have an adverse impact on the ratings of the Series 2011A Bonds, and there is no assurance that the ratings will continue for any given period of time or that they will not be revised downward

or withdrawn entirely by such rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. There is also no assurance that the criteria required to achieve the ratings on the Series 2011A Bonds will not change during the period that the Series 2011A Bonds remain outstanding. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2011A Bonds.

In providing ratings on the Series 2011A Bonds, S&P, Moody's and Fitch may have performed independent calculations of coverage ratios using their own internal formulas and methodology, which may not reflect the provisions of the Indentures. The District makes no representations as to any such calculations, and such calculations should not be construed as a representation by the District as to past or future compliance with any financial covenants, the availability of particular revenues for the payment of debt service or for any other purpose.

For further information with respect to the Credit Facility Provider, see the caption "THE CREDIT FACILITY."

## **TAX MATTERS**

### **Original Opinions**

On April 15, 2011, Orrick, Herrington & Sutcliffe LLP and Bowie, Arneson, Wiles & Giannone, Co-Bond Counsel to the District ("**Co-Bond Counsel**"), in connection with the issuance of the Series 2011A Bonds, delivered their respective opinions to the effect that, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2011A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "**Code**") and is exempt from State of California personal income taxes. Based on such earlier opinions and changes in the federal tax law, Bond Counsel, Orrick, Herrington & Sutcliffe LLP, observes that such interest on the Series 2011A Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax and that interest on the Series 2011A Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the opinions of Co-Bond Counsel delivered at the original issuance of the Series 2011A Bonds is set forth in Appendix D hereto.

### **No Updated Co-Bond Counsel Opinions**

Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District ("**Bond Counsel**") has not taken, and does not intend to take, any action to update its original opinion or to determine if interest on the Series 2011A Bonds is presently excluded from gross income for federal income tax purposes or exempt from State of California personal income taxes.

### **General Considerations**

Notwithstanding the foregoing, investors should be aware of the following information.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2011A Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2011A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2011A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2011A Bonds. The opinions of Co-Bond Counsel delivered in connection with the initial issuance of the Series 2011A Bonds assumed the accuracy of these representations

and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2011A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2011A Bonds. Accordingly, the opinions of Co-Bond Counsel delivered in connection with the initial issuance of the Series 2011A Bonds are not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Co-Bond Counsel have rendered opinions that interest on the Series 2011A Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2011A Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2011A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2011A Bonds. Prospective purchasers of the remarketed Series 2011A Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinions of Co-Bond Counsel delivered in connection with the initial issuance of the Series 2011A Bonds were based on legal authority existing as of April 15, 2011, covered certain matters not directly addressed by such authorities, and represented Co-Bond Counsel's judgment as to the proper treatment of the Series 2011A Bonds for federal income tax purposes. They are not binding on the Internal Revenue Service (the "IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the past or future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Co-Bond Counsel's engagement with respect to the Series 2011A Bonds ended on April 15, 2011 with the original issuance of the Series 2011A Bonds. Unless separately engaged, Co-Bond Counsel are not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Series 2011A Bonds in the event of an audit examination by the IRS. Under current procedures, the Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2011A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues, may affect the market price for, or the marketability of, the Series 2011A Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

Payments on the Series 2011A Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Series 2011A Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Series 2011A Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2011A Bonds. The payor will be required to deduct and withhold the prescribed amounts if: (i) the payee fails to furnish a U.S. taxpayer identification number (the "TIN") to the payor in the manner required; (ii) the IRS notifies the

payor that the TIN furnished by the payee is incorrect; (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code; or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

### **REMARKETING AGENT**

Goldman Sachs & Co. LLC has been appointed to serve as Remarketing Agent for the Series 2011A Bonds. The Remarketing Agent will carry out the duties and obligations provided for the Remarketing Agent under and in accordance with the provisions of the applicable Indenture and a Remarketing Agreement for the applicable series of 2011A Bonds, each dated as of April 1, 2011, as amended, by and between the District and the Remarketing Agent.

The Remarketing Agent and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Remarketing Agent and certain of its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the District, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Remarketing Agent and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

### **MUNICIPAL ADVISOR**

PFM Financial Advisors LLC, Los Angeles, California, is acting as the municipal advisor (the “**Municipal Advisor**”) to the District in connection with various matters relating to the reoffering of the Series 2011A Bonds. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in this Remarketing Statement, or any other related information available to the District and the Board, with respect to the accuracy and completeness of disclosure of such information. No guaranty, warranty or other representation is made by the Municipal Advisor respecting accuracy and completeness of this Remarketing Statement or any other matter related to thereto. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

### **APPROVAL OF LEGAL MATTERS**

Certain legal matters in connection with the reoffering of the Series 2011A Bonds will be passed upon by Orrick, Herrington & Sutcliffe LLP, as Bond Counsel to the District, by Hanson Bridgett LLP, as general counsel to the District, and for the Remarketing Agent by Stradling Yocca Carlson & Rauth LLP. Certain matters relating to the issuance of the Credit Facility will be passed upon for the Credit Facility Provider by Kutak Rock LLP.

## INDEPENDENT ACCOUNTANTS

The financial statements of the District at June 30, 2023, included in Appendix B to this Remarketing Statement, have been audited by Davis Farr LLP, independent accountants (the “**Auditor**”), as set forth in their Independent Auditor’s Report, which also appears in Appendix B. The Auditor has not reviewed the contents of this Remarketing Statement, and the District has not sought the Auditor’s consent to the inclusion of the Auditor’s audit letter attached to the District’s financial statements in this Remarketing Statement.

**MISCELLANEOUS**

References made herein to certain documents and reports are brief summaries thereof and do not purport to be complete or definitive and reference is hereby made to such documents and reports for a full and complete statement of the contents thereof.

Any statements in this Remarketing Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Remarketing Statement is not to be construed as a contract or agreement between the District and registered owners or beneficial owners of any of the Series 2011A Bonds. The delivery and distribution of this Remarketing Statement have been duly authorized by the District.

**IRVINE RANCH WATER DISTRICT**

By: \_\_\_\_\_ /s/Kent Morris  
Treasurer

**APPENDIX A**  
**IRVINE RANCH WATER DISTRICT**



**APPENDIX B**  
**AUDITED FINANCIAL STATEMENTS**

**APPENDIX C**

**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES**

[TO COME FROM BOND COUNSEL]

## APPENDIX D

### CO-BOND COUNSEL OPINIONS

*Orrick, Herrington & Sutcliffe LLP and Bowie, Arneson, Wiles & Giannone, Co-Bond Counsel to the District, rendered the following final approving opinions dated April 15, 2011 (the “2011 Opinions”) in connection with the initial issuance of the Series 2011A Bonds. Orrick, Herrington & Sutcliffe LLP, Bond Counsel, has made no attempt to update or reaffirm the 2011 Opinions in connection with this Remarketing Statement or the remarketing of the Series 2011A Bonds.*

[SEE ATTACHED]

## APPENDIX E

### BOOK-ENTRY SYSTEM

*The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2011A Bonds, payment of principal, premium, if any, accreted value, if any, and interest with respect to on the Series 2011A Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Series 2011A Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.*

The Depository Trust Company ("DTC"), New York, NY, acts as securities depository for the Series 2011A Bonds. The Series 2011A Bonds are fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond was issued for each maturity of the Series 2011A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2011A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2011A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2011A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2011A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bonds representing their ownership interests in Series 2011A Bonds, except in the event that use of the book-entry system for the Series 2011A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2011A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2011A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no

knowledge of the actual Beneficial Owners of the Series 2011A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2011A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holding on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2011A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2011A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2011A Bond documents. For example, Beneficial Owners of Series 2011A Bonds may wish to ascertain that the nominee holding the Series 2011A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2011A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2011A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2011A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments with respect to the Series 2011A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2011A Bonds purchased or tendered, through its Participant, to the Tender Agent, and shall effect delivery of such Series 2011A Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2011A Bonds, on DTC's records, to the Tender Agent. The requirement for physical delivery of Series 2011A Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2011A Bonds are transferred by Direct Participants or DTC's records and followed by book-entry credit of tendered Series 2011A Bonds to the Tender Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2011A Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2011A Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2011A Bonds will be printed and delivered.

## APPENDIX F

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

*The District entered into a Continuing Disclosure Certificate in the following form in connection with the initial issuance of the Series 2011A Bonds on April 15, 2011:*

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Irvine Ranch Water District (the “District”) in connection with the execution and delivery of \$60,545,000 Bonds of Irvine Ranch Water District, Refunding Series 2011A-1 (the “Series 2011A-1 Bonds”) and the \$40,370,000 Bonds of Irvine Ranch Water District, Refunding Series 2011A-2 (the “Series 2011A-2 Bonds,” and together with the Series 2011A-1 Bonds, the “Series 2011A Bonds”) constituting the consolidated, several general obligations of Improvement District Nos. 105, 113, 213 and 250 (collectively, the “Improvement Districts”). The Series 2011A-1 Bonds are being issued pursuant to an Indenture of Trust, dated as of April 1, 2011 (the “Series 2011A-1 Indenture of Trust”), by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee, and the Series 2011A-2 Bonds are being issued pursuant to an Indenture of Trust, dated as of April 1, 2011 (the “Series 2011A-2 Indenture of Trust,” and together with the Series 2011A-1 Indenture of Trust, the “Indentures of Trust”), by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee. The District covenants and agrees as follows:

1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

2. Definitions. In addition to the definitions set forth in the Indentures of Trust, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report. The term “Annual Report” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

Beneficial Owner. The term “Beneficial Owner” means any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Bonds for federal income tax purposes.

EMMA. The term “EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at <http://emma.msrb.org/>.

Fiscal Year. The term “Fiscal Year” means the one-year period ending on the last day of June of each year.

Holder. The term “Holder” means a registered owner of the Bonds.

Listed Events. The term “Listed Events” means any of the events listed in Sections 5(a) and (b) of this Disclosure Certificate.

Official Statement. The term “Official Statement” means the Official Statement of the District dated April 12, 2011 delivered in connection with the issuance of the Bonds.

Participating Underwriter. The term “Participating Underwriter” means the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Rule. The term “Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

3. Provision of Annual Reports.

(a) The District shall provide not later than 270 days following the end of its Fiscal Year (commencing with the Fiscal Year 2011) to EMMA an Annual Report relating to the immediately preceding Fiscal Year which is consistent with the requirements of Section 4 of this Disclosure Certificate, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the District is unable to provide to EMMA an Annual Report by the date required in subsection (a), the District shall send to EMMA a notice in substantially the manner prescribed by the Municipal Securities Rulemaking Board.

4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the District for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Principal amount of the Bonds outstanding.

(c) An update of the information in the following tables and/or captions in Appendix A—“IRVINE RANCH WATER DISTRICT” in the Official Statement:

1. “Outstanding Indebtedness” on page A-7;
2. IRVINE RANCH WATER DISTRICT Historic Water Supply In Acre Feet Per Year” under the caption “WATER SUPPLY—Historic and Projected Water Supply” on page A-19;
3. “THE WATER SYSTEM—Historic Water Connections” on page A-21;
4. “THE WATER SYSTEM—Historic Water Deliveries” on page A-22;
5. “THE WATER SYSTEM—Water System Rates and Charges” on page A-24;
6. “THE SEWER SYSTEM—Historic Sewer and Recycled Water Connections” on page A-26;
7. “THE SEWER SYSTEM—Historic Sewer Daily Average Flow” on page A-27;
8. “THE SEWER SYSTEM—Sewer System Rates and Charges” on page A-30;
9. “WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Historic Operating Results and Debt Service Coverage” on page A-33; and
10. An update of the following tables for each Improvement District:
  - (i) Assessed Valuations (Land Only); provided that only the total assessed values shall be updated;

- (ii) Assessed Valuation and Parcels by Land Use; and
- (iii) Largest Local Secured Taxpayers.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission; provided that if any document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board; and provided further that the District shall clearly identify each such document so included by reference.

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the event:

- 1. principal and interest payment delinquencies;
- 2. unscheduled draws on debt service reserves reflecting financial difficulties;
- 3. unscheduled draws on credit enhancements reflecting financial difficulties;
- 4. substitution of credit or liquidity providers, or their failure to perform;
- 5. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds;
- 6. defeasances;
- 7. tender offers;
- 8. ratings changes; and
- 9. bankruptcy, insolvency, receivership or similar proceedings.

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- 1. mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;
- 2. appointment of a successor or additional trustee or the change of the name of a trustee;



3. non-payment related defaults;
4. modifications to the rights of Bondholders;
5. notices of redemption; and
6. release, substitution or sale of property securing repayment of the Bonds.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event described in subsection (b), the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the District shall file a notice of such occurrence with EMMA in a timely manner not more than ten (10) Business Days after the event.

6. Cash and Investments. Upon request, the District shall provide on a quarterly basis to any person the most recently available Cash and Investment Summary as prepared for the Finance and Personnel Committee of the Board of Directors of the District.

7. Customarily Prepared and Public Information. Upon request, the District shall provide to any person financial information and operating data regarding the District which is customarily prepared by the District and is publicly available.

8. Termination of Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule.

10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall not thereby have any obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Holders or Beneficial Owners of at least 50% aggregate principal amount of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indentures of Trust, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

No Holder or Beneficial Owner of the Bonds may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the District satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the District shall have refused to comply therewith within a reasonable time.

12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: April 15, 2011

IRVINE RANCH WATER DISTRICT

By: \_\_\_\_\_  
Its: Treasurer

**APPENDIX A**  
**IRVINE RANCH WATER DISTRICT**

**TABLE OF CONTENTS**

INTRODUCTION ..... A-1

THE IRVINE RANCH WATER DISTRICT ..... A-1

General..... A-1

Board of Directors and General Manager ..... A-2

Employees..... A-4

Pension Benefits ..... A-5

Other Post-Employment Benefits ..... A-8

Budget Process..... A-10

Water and Sewer System Insurance..... A-10

Time and Manner of Payments for Service Charges ..... A-11

Outstanding Indebtedness ..... A-12

Variable Rate Debt Management ..... A-16

Current Investments ..... A-16

Historic Net Real Estate Income..... A-17

Projected Net Real Estate Income..... A-17

1% Property Tax Revenues..... A-17

Alternative Method of Tax Apportionment – “Teeter Plan”..... A-18

Governmental Regulations..... A-19

Climate Change..... A-19

COVID-19 Outbreak..... A-20

WATER SUPPLY ..... A-20

Imported Water ..... A-21

Groundwater ..... A-21

Water Use Efficiency..... A-30

Water Supply Reliability ..... A-32

Recycled Water..... A-35

Historic and Projected Water Supply..... A-36

THE WATER SYSTEM..... A-37

General..... A-37

Historic Water Connections..... A-38

Projected Water Connections..... A-39

Connection Fees..... A-39

Historic Water Deliveries/Sales..... A-40

Projected Water Deliveries/Sales..... A-40

Historic Water Sales and Service Charge Revenues..... A-41

Projected Water Sales and Service Charge Revenues..... A-42

Largest Water Customers..... A-42

Water System Rates and Charges ..... A-43

THE SEWER SYSTEM ..... A-44

General..... A-44

Historic Sewer System and Recycled Water Connections..... A-45

Projected Sewer and Recycled Water Connections ..... A-46

Connection Fees..... A-46

Historic Sewer Daily Average Flow ..... A-46

Projected Sewer Daily Average Flow ..... A-47

Historic Recycled Water Sales and Sewer Service Charge Revenues ..... A-47

Projected Recycled Water Sales and Sewer Service Charge Revenues..... A-48

Largest Sewer and Recycled Water Service Customers ..... A-48

Sewer System Rates and Charges ..... A-49

FUTURE CAPITAL IMPROVEMENTS..... A-49

Solids Handling.....	A-50
OC San CORF/Equity.....	A-50
Water Supply Reliability .....	A-50
Development-Related Expansion.....	A-51
Replacement and Refurbishment .....	A-51
Operational Improvements.....	A-51
WATER AND SEWER SYSTEM FINANCIAL INFORMATION .....	A-51
Financial Statements .....	A-51
Reduction in BAB Credits .....	A-51
Historic Operating Results and Debt Service Coverage .....	A-52
Projected Operating Results and Debt Service Coverage .....	A-54
THE IMPROVEMENT DISTRICTS .....	A-56
General.....	A-56
Improvement District Nos. 125 and 225 .....	A-57
Improvement District Nos. 113 and 213 .....	A-64
CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES.....	A-68
Proposition 218.....	A-68
Proposition 26.....	A-69
Article XIII A.....	A-69
Article XIII B.....	A-70
Future Initiatives.....	A-70

## INTRODUCTION

The following sets forth certain information relating to the Irvine Ranch Water District (the “**District**”) and certain of its improvement districts.

The District’s projections in Tables 12, 15, 17, 19, 23, 25, 27, 30 and 32 of this Appendix A (the “**Projections**”) are derived from historic trends and experience and internal financial models. The internal models are used by the District to identify future infrastructure funding requirements, and to aid in setting water and sewer rates, charges and connection fees. Key inputs include assumptions based on historical experience and other factors regarding the District’s cost of borrowing, the rate of return on District investments, inflation, project costs, property tax receipts and the timing and amount of future bond sales, as well as the pace and scope of real estate development activity within the District’s service area. The District is in regular contact with major Orange County real estate development companies to assess and update this information.

The Projections constitute forward-looking statements. No assurance can be given that the future results reflected in the Projections and otherwise discussed herein will be achieved, and actual results may differ materially from the Projections. As noted above, the Projections rely heavily on certain assumptions regarding the pace and scope of real estate development activity within the District’s service area. Such activity may be affected by a variety of factors, such as tighter lending standards for real estate loans. Real estate development activity also may be affected by general economic conditions. The District has attempted to reflect such conditions in the Projections, but is unable to predict with certainty the level of future real estate development activity or the other factors affecting the Projections.

In addition to the specific limitations on remedies contained in the applicable documents themselves, the rights and obligations with respect to the Indentures are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, and to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California (the “**State**”). The various opinions of counsel that were delivered with respect to such documents, including the opinions of Co-Bond Counsel (the forms of which are attached to the Remarketing Statement as Appendix E), were similarly qualified.

Unless the context otherwise requires, all defined terms used herein shall have the same meanings set forth in the Remarketing Statement, except that the term “**Improvement Districts**” as used in this Appendix A refers to all eight water improvement districts and ten sewer improvement districts of the District.

## THE IRVINE RANCH WATER DISTRICT

### General

The District was established in 1961 as a California Water District under the provisions of Section 34000 *et seq.* of the California Water Code (the “**Act**”). As a special district, the District focuses on four primary services – providing potable water, collecting and treating wastewater, producing and distributing recycled and other non-potable water and implementing urban runoff treatment programs.

The District serves a 181-square-mile area, which includes all of the City of Irvine and portions of the cities of Tustin, Newport Beach, Costa Mesa, Orange and Lake Forest, as well as certain unincorporated areas of Orange County. Extending from the Pacific Coast to the foothills, the District’s region is semi-arid with a mild climate and an average annual rainfall of approximately 12 inches. The District serves a total estimated daytime population in excess of 600,000 through approximately 123,700 potable and non-potable water and approximately 118,800 sewer service and recycled water connections. The number of service connections has increased by approximately 21% over the last decade.

The District builds and maintains significant capital infrastructure in order to serve its customers and is organized into Improvement Districts in order to allocate funding responsibility for capital facilities to the area which will benefit from such capital facilities and to separate areas on the basis of projected timing of development. This allows capital facilities construction to be matched to the development approval decisions of the respective local agencies that make them. Some of the Improvement Districts share in the funding of the District's regional facilities that such Improvement Districts use or will use in common, such as major water importation facilities and water and wastewater treatment plants. In 2013, the District reviewed its capital funding plan, which resulted in a master consolidation and combination of several Improvement Districts. The District now has a total of eight water Improvement Districts and ten sewer Improvement Districts which cover specific areas within the District's boundaries, each of which is governed in accordance with the Act and all but one of which have the authority to issue general obligation indebtedness. See the Remarketing Statement under the caption "INTRODUCTION—Improvement Districts—Improvement District Nos. 125 and 225" for a discussion of the effect on the Series 2011A Bonds of the consolidation and combination of such Improvement Districts.

See Table 3 under the caption "—Outstanding Indebtedness—Improvement District Indebtedness" for information with respect to the amount of authorized and outstanding *ad valorem* assessment bonds for Improvement District Nos. 113, 125 and 213 and 225.

The principal office of the District is located at 15600 Sand Canyon Avenue, Irvine, California 92618.

### **Board of Directors and General Manager**

The District's Board of Directors consists of five Directors who were elected by resident voters for staggered four-year terms. In 2019, the Board of Directors adopted a resolution changing the District's election procedures from at-large elections to by-division elections, which has resulted in the creation of five divisions of roughly equal population sizes within the District. By-division elections took place for two members of the Board of Directors in November 2020 and for the other three Board members in November 2022. The policies of the Board of Directors are administered by the General Manager of the District.

***Board of Directors.*** The present Directors are:

Douglas J. Reinhart, Division 3. Mr. Reinhart was appointed to the District's Board of Directors in 2004 and has since been elected to subsequent terms. Mr. Reinhart currently serves as President of the Board of Directors and he previously served as President of the Board of Directors in 2007, 2009 to 2010, 2013, 2017, 2018 and 2021. He also previously served as Vice President in 2006, 2016, 2020 and 2023. Mr. Reinhart is committee chair of the District's Supply Reliability Programs Committee. Mr. Reinhart is a registered civil engineer with more than 30 years of experience in the private sector directing projects in water, wastewater and other infrastructure. He was president and part-owner of ASL Consulting Engineers before its acquisition by Tetra Tech in 1999. Mr. Reinhart then served as the Divisional Executive Vice President for Tetra Tech for the western United States before starting an independent consulting business in 2004. Familiar with special district functions, he served as a director on the board of El Toro Water District from 1998 to 2000. During that time, he served as vice president of the board and was the special district representative to the Local Agency Formation Commission of Orange County. Mr. Reinhart holds a bachelor's degree in civil engineering from the Missouri School of Mines and Metallurgy (now Missouri University of Science and Technology), and he is a licensed civil engineer in both California and Arizona. He has served on the board of trustees of the Southern California Water Committee, the American Water Works Association Desalination Committee and the Association of California Water Agencies ("ACWA") Groundwater Committee. He is a past member of the board of directors for the national WateReuse Association. In addition, Mr. Reinhart is also a member of both the American Society of Civil Engineers and the American Public Works Association. Mr. Reinhart's current term ends in November 2026.

Steven E. LaMar, Division 2. Mr. LaMar was appointed to the District's Board of Directors in 2009 and has since been elected to subsequent terms. Mr. LaMar currently serves as Vice President of the Board of Directors and he previously served as President in 2011, 2014, 2015, 2019, 2020 and 2022. He also previously served as Vice President in 2013 and 2018. Mr. LaMar is committee chair of the District's Water Resources Policy and Communications Committee and serves on Finance and Personnel Committee. He is a water policy and planning expert with more than 25 years of experience on statewide business and industry committees. He has directly participated in many major water policy forums and served on statewide task forces and advisory committees on drought planning, desalination, the California Bay-Delta, the California Water Plan and on water reliability and conservation issues. He is a retired state lobbyist and consultant to several of California's most successful master-planned community developers and homebuilders. Mr. LaMar served as a water policy leader with the California Building Industry Association for more than 20 years. He is a past president of ACWA. He was a member of the California Water Plan 2009 Advisory Committee and a member of the Delta Vision Stakeholders Coordination Group. He was chair of the Economic Work Group for the 2006 California Landscape Task Force. He served as a member of the 2003 State Water Desalination Task Force and the 2000 Governor's Advisory Drought Planning Panel, and was chair of the California Building Industry Association's statewide Water Resources Subcommittee and Task Force. Mr. LaMar is president of the Natural Communities Coalition, a nonprofit entity implementing habitat restoration for over 37,000 acres of open space land in Orange County. He serves on the board of directors of the Southern California Water Coalition and the California Council for Environmental and Economic Balance and is the District representative on the Water Affiliates Group to the Center for Western Weather and Water Extremes at Scripps Institution of Oceanography. He holds a bachelor's degree in political science from Pittsburg State University and a professional certificate from the Environmental Management Institute, the U.S. Environmental Protection Agency environmental training program administered by the University of Southern California. In addition, Mr. LaMar is president and owner of LegiSight, LLC, located in Tustin, California. Mr. LaMar's current term ends in November 2026.

John B. Withers, Division 1. Mr. Withers was appointed to the District's Board of Directors in 1989 and has since been elected to subsequent terms. Mr. Withers previously served as President of the Board of Directors in 2004 and as Vice President in 2012 and 2021. Mr. Withers serves on the Engineering and Operations Committee. Mr. Withers is a partner with California Strategies, LLC, in Irvine, a statewide strategic government-relations firm. In past positions, he has served as vice president of community development for Lewis Operating Corp. and as director of water resources for Psomas & Associates, a civil engineering and planning firm. He was also the director of governmental affairs for the Building Industry Association Orange County Chapter and a legislative advocate for Crocker Bank and a major trade association in Sacramento. He is a member and past chairman of the Orange County Sanitation District Board of Directors, where he has served since 2009. He is chairman and board member of the National Water Research Institute, a former chair and commissioner of the Local Agency Formation Commission and a former chair and member of the Santa Ana Regional Water Quality Control Board. A native Southern Californian, he earned his bachelor of arts degree in economics from the University of California, Los Angeles, with a specialization in urban studies. He was then selected as a CORO Foundation Fellow and earned a master's degree in urban studies from Occidental College. Mr. Withers' current term ends in November 2024.

Karen McLaughlin, Division 4. Ms. McLaughlin was elected to the District's Board of Directors in 2020. Ms. McLaughlin previously served as President of the Board of Directors in 2023. She also previously served as Vice President in 2022. Ms. McLaughlin is committee chair of the Engineering and Operations Committee and serves on the Water Resources Policy and Communications Committees. Ms. McLaughlin is an environmental scientist with extensive experience in managing water research projects associated with biogeochemical cycling and contaminant source tracking in coastal waters. She is a senior scientist with the Southern California Coastal Water Research Project, a public agency providing impartial science for water quality management, where she serves as the regional monitoring coordinator, facilitating implementation of the Southern California Bight Regional Marine Monitoring Program. Her research includes integrating and optimizing monitoring programs to characterize the vulnerability of coastal marine ecosystems to multiple human stressors and developing appropriate tools to assess the health of Southern California waters. Her research also includes understanding factors and processes controlling nearshore ocean acidification and



hypoxia, and understanding ecosystem response to human nutrient loading. Ms. McLaughlin earned her bachelor of science degree in geosciences from Pennsylvania State University, with specialization in hydrology, her Ph.D. in geological and environmental sciences from Stanford University, and worked as a post-doctoral researcher at the University of California, Irvine. Ms. McLaughlin is an active participant in scientific societies. She is a member of the Coastal and Estuarine Research Federation, the American Geophysical Union, the American Society of Limnology and Oceanography and the California Estuarine Research Society, in which she serves as membership coordinator and has served on planning committees for several conferences, including the National Monitoring Conference. Ms. McLaughlin's current term ends in November 2024.

Peer Swan, Division 5. Mr. Swan was elected to the District's Board of Directors in 1979 and has since been elected to subsequent terms. Mr. Swan previously served as President from 1982 to 1995 and again in 2006. He also previously served as Vice President in 1980, 1981, 1998, 2002, 2003, 2009, 2010, 2014 and 2017. Mr. Swan is committee chair of the Finance and Personnel Committee and serves on the Supply Reliability Programs Committee. Mr. Swan is a member of the Water Advisory Committee of Orange County, where he is a past chairman, a former member of the Metropolitan Water District Board of Directors, a member and past president of the board of the San Joaquin Wildlife Sanctuary and a member of the Steering Committee of the Southern California Water Dialog Committee. He has been active in the Association of California Water Agencies, where he served on the board of directors and on the executive committee. Swan also has been active in the California Association of Sanitation Agencies, where he served as chairman of the Directors Committee. He also served as a Director of the Orange County Sanitation District for fifteen years and was Vice Chairman for six years. He was the treasurer of the Pacific Scientific Company prior to its acquisition in early 1998 and a member of the board of directors of the Southern California Bank and its parent, SC Bancorp, until its acquisition in 1997. He also has served as a board member of the YMCA of Orange County and the Orange Coast College Foundation, where he was the founding treasurer of the board. He was also a founding director of the board of the National Water Research Institute, where he was chairman for four years. He is a longtime member of the National Audubon Society and its local chapter, Sea & Sage. Mr. Swan's current term ends in November 2026.

**General Manager.** Paul A. Cook, the General Manager of the District, heads a staff of approximately 405 employees. Mr. Cook was appointed General Manager in October 2011. Mr. Cook previously served as Interim General Manager from July to October 2011 and held the position of Assistant General Manager from 2004 to July 2011. Mr. Cook is a registered civil engineer with over 30 years of experience with water and wastewater systems in the public and private sectors. Prior to joining the District, he served as the Manager of Engineering for Central and West Basin Municipal Water Districts in Carson, California. He also served as the District Engineer for Los Alisos Water District in Lake Forest. In the private sector, Mr. Cook held engineering and project management positions with BFI Constructors and Turner Construction Company. He was elected to the Orange County Water District Board of Directors in 2002 and served for three years, representing communities in Irvine, Tustin and Newport Beach. Mr. Cook received his bachelor of science degree in Civil Engineering from the University of the Pacific, his masters of science degree in Civil Engineering from California State University of Long Beach and his masters in business administration from the University of California, Irvine.

## **Employees**

The District currently employs approximately 381 regular employees and 24 temporary workers and part-time interns. In January 2018, the International Brotherhood of Electrical Workers ("IBEW") became the exclusive representative for the Irvine Ranch Water General Unit and for the Non-Exempt Supervisors Unit. The General Unit includes 225 employees, the Non-Exempt Supervisors Unit includes 26 employees, and 130 employees are unrepresented. The IBEW Memorandum of Understanding for the General Unit and the IBEW Memorandum of Understanding for the Non-Exempt Supervisors Unit govern relations between the District and the IBEW for a term running through June 30, 2026. The District has not experienced any strike or other labor actions.

## Pension Benefits

**General.** The District participates in two plans to fund pension benefits for its employees, the California Public Employees Retirement System (“**CalPERS**”) Plan and the Pension Benefits Trust. The District makes a required annual contribution to the CalPERS Plan and has elected to fund additional amounts to a trust that has been established under Internal Revenue Code Section 115 (the “**Pension Benefits Trust**”). The Pension Benefits Trust is irrevocable and holds funding contributions for the District pending future remittance to the CalPERS Plan, which will pay all retiree benefit payments to employees. The District’s total pension assets include funds held by both CalPERS and the Pension Benefits Trust. As of June 30, 2023, the District reflected a net pension liability of approximately \$85.4 million, an increase of \$45.6 million from the net pension liability as of June 30, 2022. The net pension liability is the difference between total pension liability and the fair market value of CalPERS assets. Including moneys held in the Pension Benefit Trust that is discussed below under the subcaption “—Pension Benefits Trust,” the District’s pension assets cover 102.7% of the total pension liability.

**CalPERS Plan.** The District contributes to CalPERS, an agent multiple-employer public employee defined benefit pension plan for all of the District’s full-time and certain of its temporary employees that have worked for the District for a total of over 1,000 hours. CalPERS provides retirement, disability and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State, including the District.

CalPERS plan benefit provisions and all other requirements are established by State statute and the District’s Board of Directors. Participants in the District’s CalPERS plan contribute the full amount of the required employee contribution, which is up to 8% of their annual covered salary, depending on benefit level.

Employer contribution rates for all public employers are determined on an annual basis by the CalPERS actuary and are effective on July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount, expressed as a percentage of payroll, that is necessary to finance the costs of benefits that are earned by employees during the year (normal costs), with an additional required amount to finance any unfunded accrued liability. The District’s normal cost contribution for the District fiscal year ended June 30 (“**Fiscal Year**”), 2023 was \$4.0 million and the unfunded accrued liability contribution was \$7.8 million, for a total contribution of \$11.8 million. The District’s estimated total contributions, including normal and unfunded accrued liabilities, for Fiscal Years 2024 and 2025 are expected to be approximately \$11.7 million and \$11.9 million, respectively.

**Pension Benefits Trust.** The District recognizes that defined benefit plans and the related future pension obligations pose significant issues for many government agencies. The District has taken a proactive approach to address these issues by establishing a Pension Benefits Trust in Fiscal Year 2013 to assist in funding its CalPERS unfunded liability, providing the District with an alternative to CalPERS that allows for investment by a professional fund management team selected and monitored by the District. The Pension Benefits Trust holds the funding contributions from the District pending future remittance to CalPERS’ pension trust fund, which will pay all retiree benefit payments to employees associated with the District’s plan. Future contributions will be transferred to CalPERS at the District’s discretion. The funds held in the Pension Benefits Trust are legally protected from the claims of the general creditors of the District. Contributions to the Pension Benefits Trust and earnings on those contributions are irrevocable.

In Fiscal Year 2013, the District made an initial \$35.0 million contribution to the Pension Benefits Trust. From Fiscal Years 2014 through 2018, the District made total additional contributions of \$20.9 million to the Pension Benefits Trust. The District did not make any additional contributions to the Pension Benefits Trust in any of Fiscal Years 2019 through 2023. As of June 30, 2023, the fair market value of the assets in the Pension Benefits Trust was approximately \$106.7 million, an increase of approximately \$11.9 million from the market value of the assets in the Pension Benefits Trust as of June 30, 2022. Additional information on the Pension

Benefits Trust’s investments can be found in Note 2 to the District’s audited financial statements for Fiscal Year 2023 attached to the Remarketing Statement as Appendix B.

A summary of principal assumptions and methods used to determine the total pension liability for Fiscal Year 2023 is shown below.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68 (“ <b>GASB 68</b> ”)
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS’ membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.30% until purchasing power protection allowance floor on purchasing power applies, and thereafter up to 2.30%

<sup>(1)</sup> The mortality table used was developed based on CalPERS-specific data. The table includes 18 years of mortality improvements using Society of Actuaries Scale 80% of scale MP 2020.  
Source: The District.

*The above information is primarily derived from information produced by CalPERS. The District has not independently verified the information provided and neither makes any representations nor expresses any opinion as to the accuracy of the information provided by CalPERS.*

*The annual comprehensive financial reports of CalPERS are available on its Internet website at [www.calpers.ca.gov](http://www.calpers.ca.gov). The CalPERS website also contains CalPERS’ most recent actuarial valuation reports and other information concerning benefits and other matters. The textual reference to such Internet website is provided for convenience only. None of the information on such Internet website is incorporated by reference herein. The District cannot guarantee the accuracy of such information. Actuarial assessments are “forward-looking” statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or may be changed in the future.*

**Funding of CalPERS Plan.** The Schedule of Funding Progress below shows District’s total pension liability, CalPERS assets, Pension Benefits Trust assets, and the relationship of the total pension liability (in thousands of dollars) to such assets.

**IRVINE RANCH WATER DISTRICT**  
**Schedule of Funding Progress**  
**(In Thousands)**

<i>Fiscal Year<sup>(1)</sup></i>	<i>Total Pension Liability</i>	<i>CalPERS Assets</i>	<i>Net Pension Liability/(Asset)</i>	<i>Pension Benefit Trust Assets</i>	<i>CalPERS Assets as % of Total Pension Liability</i>	<i>Pension Benefit Trust Assets as % of Total Pension Liability</i>	<i>Total Pension Assets<sup>(2)</sup> as % of Total Pension Liability</i>
06/30/19	\$275,457	\$211,320	\$64,137	\$ 73,106	76.7%	26.5%	103.3%
06/30/20	291,334	222,867	68,467	78,389	76.5	26.9	103.4
06/30/21	306,889	232,184	74,705	83,103	75.7	27.1	102.7
06/30/22	323,147	283,306	39,841	107,930	87.7	33.4	121.1
06/30/23	345,944	260,537	85,407	94,828	75.3	27.4	102.7

(1) Figures are as of the measurement dates of June 30, 2018, June 30, 2019, June 30, 2020, June 30, 2021 and June 30, 2022, which apply to the Fiscal Years ended June 30, 2019, June 30, 2020, June 30, 2021, June 30, 2022 and June 30, 2023, respectively.

(2) Reflects total of moneys held in CalPERS plan and in Pension Benefits Trust.  
Source: The District.

**Changes in the Net Pension Liability.** The changes in the net pension liability for the District's CalPERS plan were as follows (in thousands):

**TABLE 1**  
**IRVINE RANCH WATER DISTRICT**  
**Changes in Net Pension Liability**  
**(In Thousands)**

	<i>Increase (Decrease)</i>		
	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position<sup>(1)</sup></i>	<i>Net Pension Liability / (Asset)</i>
Balance at June 30, 2022	\$ 323,147	\$ 283,306	\$ 39,841
Changes	<u>22,797</u>	<u>(22,769)</u>	<u>45,566</u>
Balance at June 30, 2023	\$ 345,944	\$ 260,537	\$ 85,407

(1) Excludes assets held in Pension Benefits Trust, in accordance with GASB Implementation Guide No. 2017-1. As of June 30, 2023, the Pension Benefits Trust had assets of \$106.7 million, which will be used to reduce the net pension liability.  
Source: The District.

The June 30, 2023 balances are based on CalPERS actuarial valuation data of June 30, 2021, with assumptions and market values updated through June 30, 2022.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate.** The following table presents the net pension liability of the District's CalPERS Plan (in thousands), calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.90%) or 1 percentage point higher (7.90%) than the current rate:

**TABLE 2**  
**IRVINE RANCH WATER DISTRICT**  
**Sensitivity of the Net Pension Liability to Changes in the Discount Rate<sup>(1)</sup>**  
**(In Thousands)**

	<i>Discount Rate – 1%</i> <i>(5.90%)</i>	<i>Current Discount</i> <i>Rate (6.90%)</i>	<i>Discount Rate +</i> <i>1% (7.90%)</i>
Plan’s Net Pension Liability/(Asset)	\$132,634	\$85,407	\$46,436

<sup>(1)</sup> Excludes assets held in Pension Benefits Trust, in accordance with GASB Implementation Guide No. 2017-1.  
Source: The District.

**Other Pension Benefits.** The District enables all of its part-time and certain temporary employees to participate in a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. For Fiscal Year 2023, the District’s payroll for the related part-time and temporary employees who are covered by the plan was \$212,872 and the eligible employees contributed \$16,418. The District made no contributions to the defined contribution plan during such Fiscal Year.

All regular, full-time District employees are eligible to participate in the District’s deferred compensation program pursuant to Section 457 of the Internal Revenue Code whereby they can voluntarily contribute a portion of their earnings into a tax-deferred plan administered by the District and invested through a third party provider. Pursuant to the Economic Growth and Tax Relief Reconciliation Act of 2001, effective January 1, 2002, employees may contribute the lesser of 100% of includible compensation or the maximum dollar amount allowable under Internal Revenue Code Section 457 in effect for the year. The dollar amount in effect for calendar year 2023 is \$22,500.

Effective January 1, 2008, for employees with one year or more of service, the District provides: (i) 100% matching of employee Section 457 plan contributions up to an annual maximum of 3% of the employee’s base salary; and (ii) all full-time employees who have completed two years of regular, full-time service with the District, are eligible for an additional District contribution equal to 1% of such employees’ base salary. Such employer contribution amounts are deposited into a money purchase plan pursuant to Section 401(a) of the Internal Revenue Code. During Fiscal Year 2023, the District contributed approximately \$1.4 million to employee accounts under the 401(a) plan.

The assets in both plans are held in trust for the exclusive benefit of the participants and their beneficiaries, and are therefore not reported in the financial statements of the District.

For additional information relating to the District’s pension plans, see Notes 13 and 15 to the District’s audited financial statements attached to the Remarketing Statement as Appendix B.

**Other Post-Employment Benefits**

The District currently has three programs for post-employment benefits other than pensions (“**OPEB**”): the California Public Employees Medical and Hospital Care Act (“**PEMHCA**”) premiums, a retiree healthcare costs reimbursement plan and a retiree death benefit life insurance program. Under the first program, the District pays the required healthcare coverage under PEMHCA, commonly referred to as “**PERS Health**.” To qualify, employees must retire from the District and begin drawing CalPERS retirement benefits. Participation in PEMHCA is financed in part by the District through a contribution of \$149.00 per employee per month (at current rates). The contribution rate is scheduled to be indexed with medical inflation in future years, although contributions could increase in greater amounts at the direction of CalPERS Board. In addition, the District pays 0.25% of the PEMHCA premium to cover administrative fees. In Fiscal Year 2023, the District contributed approximately \$7.9 million on behalf of retirees participating in the PEMHCA program and had approximately

\$0.3 million for the estimated implied subsidy. The implied subsidy is the difference between average retiree claims and premiums charged by CalPERS.

As part of its retiree healthcare costs reimbursement plan, the District provides retirees who have attained age 55 and have completed at least 3 years of service with the District with reimbursement of eligible healthcare costs of \$160 per month for retirees with at least 3 years of service up to a maximum of \$600 per month for retirees with at least 25 years of service. In February 2023, the Board approved an enhancement to the Retiree Health Costs Reimbursement Plan (“RHCRP”) by increasing each tier by \$200 for eligible employees who retire from the District on or after July 1, 2023. In Fiscal Year 2023, the District contributed approximately \$1.9 million on behalf of retirees participating in the RHCRP.

Finally, the retiree death benefit life insurance program provides retirees who were hired on or before December 31, 2008 with term life insurance benefits with a face amount equal to 100% of their annual salary in effect at the time of retirement. Insured group-term life benefits end for all participants at age 70. The District provides a self-insured \$10,000 death benefit for all participants already retired as of December 31, 2008 and for currently active Board members. To qualify, a retiree must have retired from the District, be at least 55 years old, have completed at least ten continuous years of service with the District, and must be drawing retirement benefits from CalPERS. In Fiscal Year 2023, the District contributed approximately \$0.7 million on behalf of retirees participating in this program.

The District had a total OPEB liability of approximately \$20.3 million as of June 30, 2023. The discount rate used to measure the total OPEB liability was 3.54%, which was based on the Bond Buyer 20-Bond General Obligation Index. The OPEB contributions for the District’s various OPEB plans are based on pay-as-you-go requirements. During Fiscal Year 2023, the District’s contributions totaled approximately \$10.8 million.

In 2023, the District established a trust under Internal Revenue Code Section 115 (the “OPEB Trust”) to assist in funding its OPEB liability. The OPEB Trust holds the funding contributions from the District pending future remittance to the administrators of the District’s three OPEB plans, which will pay the associated benefits. Future contributions will be transferred to the OPEB Trust at the District’s discretion. The funds held in the OPEB Trust are legally protected from the claims of the general creditors of the District. Contributions to the OPEB Trust and earnings on those contributions are irrevocable.

In Fiscal Year 2023, the District made an initial contribution of \$10.0 million to the OPEB Trust. The District has not budgeted to make a contribution to the OPEB Trust in Fiscal Year 2024. Additional information on the Pension Benefits Trust’s investments can be found in Note 2 to the District’s audited financial statements for Fiscal Year 2023 attached to the Remarketing Statement as Appendix B.

**Changes in the OPEB Liability.** The changes in the liability for the District’s OPEB plans were as follows (in thousands):

**IRVINE RANCH WATER DISTRICT**  
**Changes in OPEB Liability**  
**(In Thousands)**

	<i>PEMHCA</i>	<i>RHCRP</i>	<i>Retiree Death Benefit Only</i>	<i>Total</i>
Balance at June 30, 2022	\$ 19,332	\$ 3,613	\$ 1,794	\$ 24,739
Changes	<u>(3,732)</u>	<u>(324)</u>	<u>(350)</u>	<u>(4,406)</u>
Balance at June 30, 2023	\$ 15,600	\$ 3,289	\$ 1,444	\$ 20,333

Source: The District.

**Sensitivity of the OPEB Liability to Changes in the Discount Rate.** The following table presents the net pension liability of the District’s CalPERS Plan (in thousands), calculated using the discount rate of 3.54%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current rate:

**IRVINE RANCH WATER DISTRICT**  
**Sensitivity of the OPEB Liability to Changes in the Discount Rate**  
**(In Thousands)**

	<i>Discount Rate – 1%</i> <i>(2.54%)</i>	<i>Current Discount</i> <i>Rate (3.54%)</i>	<i>Discount Rate +</i> <i>1% (4.54%)</i>
PEMHCA	\$18,090	\$15,600	\$13,585
RHCRP	3,494	3,289	3,096
Retiree Death Benefit Only	<u>1,551</u>	<u>1,444</u>	<u>1,349</u>
Total	\$23,135	\$20,333	\$18,030

Source: The District.

For additional information relating to the District’s OPEB obligations, see Note 14 to the District’s audited financial statements attached to the Remarketing Statement as Appendix B.

**Budget Process**

The District adopts a budget every other year for a two-year period. Following the adoption of the operating budget, the Board of Directors approves a schedule of water, sewer and recycled water rates for the first Fiscal Year within the budgeted period based on the budget approved by the Board of Directors, with rates for the following Fiscal Year during such budgeted period determined prior to the commencement of such Fiscal Year. See the caption “CONSTITUTIONAL LIMITS ON APPROPRIATIONS AND CHARGES—Proposition 218.”

The operating budget for Fiscal Years 2024 and 2025 was approved on April 24, 2023. On that date, the Board also adopted water and sewer rate increases that went into effect on July 1, 2023 to cover costs associated with the two-year budget. See the captions “THE WATER SYSTEM—Water System Rates and Charges” and “THE SEWER SYSTEM—Sewer System Rates and Charges.”

**Water and Sewer System Insurance**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, third party liability, errors and omissions and natural disasters. The District utilizes a combination of self-insurance, first-party coverage and third-party liability insurance to minimize loss exposures from property, third-party liability claims and workers compensation claims. The District self-insures the first \$50,000 per occurrence for property losses, \$100,000 per occurrence for third-party liability claims and \$125,000 per occurrence for workers compensation claims. The District implements various controls to minimize loss including, but not limited to, hosting routine employee safety meetings and training sessions, using uniform language in contracts designed to limit or prevent liability exposure, implementing cyber risk mitigation protocols, performing general risk assessments and developing emergency plans (including a business continuity plan).

Property, boiler, machinery, pollution, excess workers’ compensation and cyber liability insurance is provided through participation in Public Risk Innovation, Solutions and Management (“PRISM”). PRISM is a joint exercise of powers authority that was formed by numerous public agencies in the State to provide risk management services and insurance programs to its members. Property insurance includes flood insurance but does not include earthquake insurance except for the District’s real estate investment properties. See the caption

“—Current Investments.” General and excess liability coverage of \$35,000,000 is also provided through participation in PRISM. Pollution and legal liability coverage for the Irvine Desalter Project is provided by a policy with Ironshore Holdings, a Liberty Mutual company. Settlements have not exceeded coverage for each of the past three Fiscal Years.

In addition to maintaining cyber liability insurance through PRISM, the District engages an outside firm to evaluate its network security on an annual basis. An independent third party also conducts a detailed information security assessment to identify critical data assets, potential system vulnerabilities and the District’s ability to respond effectively to cybersecurity threats.

### **Time and Manner of Payments for Service Charges**

A majority of bills and charges for water and sewer, recycled water and natural treatment system service are billed monthly, due and payable upon presentation and become delinquent after 25 days. If payment is not received within 25 days after presentation, a late charge will be levied on any unpaid balance and after notice and proceedings as required by law (as described below), service may be discontinued. For late payment balances of \$10 or more, a one-time late charge of 10% of the unpaid balance plus 1.5% interest will be assessed for each month until the unpaid balance has been paid in full. A shutoff notice is mailed out in conjunction with an automated courtesy phone call when the unpaid balance is at least \$150 and at least 40 days delinquent. The District will disconnect service between day 60 and 65. Service is not restored until all charges, including a restoration charge, have been paid in full or the customer agrees to a payment arrangement. A small number of accounts located in Newport Beach, for which the District provides only sewer service, are billed on the County of Orange (the “County”) tax rolls. The County remits 100% of the revenues from such sewer service to the District on an accrual basis when due (irrespective of actual collections) under the County’s Teeter Plan. See the caption “—Alternative Method of Tax Apportionment – “Teeter Plan”.”

The District’s shutoff policy complies with Senate Bill 998, which revised the requirements for residential shutoffs due to delinquent payments or non-payment effective February 1, 2020. Under the District’s policy, the District may not discontinue residential water service for non-payment until the unpaid balance is at least \$150 and at least 60 days delinquent. The District will notify the customer and provide the District’s policy no less than seven business days before discontinuing service. Residential service may be discontinued no sooner than five business days after the District contacts the delinquent customer, or if no contact is established, posts a final Notice of Intent to Disconnect Service in a conspicuous location at the property that is served. The District also may not discontinue residential water service if all of the following conditions are met:

- Discontinuing water service poses a serious threat to the health and safety of a resident;
- The customer demonstrates that they are financially unable to pay for residential water service within the normal billing cycle (to qualify, the customer must participate in certain low income programs or certify that they are below 200% of the federal poverty level); and
- The customer agrees to a payment arrangement for past due amounts, generally not to exceed 12 months and must pay current charges.

If the customer’s income is below 200% of the poverty line, then the restoration fee is limited to \$55 during normal business hours or \$165 after normal business hours.

The District’s shutoff policy is available in English and seven other languages spoken by 10% or more of the District’s customers. The District will also be required to report the number of annual discontinuations of residential water service for inability to pay; reporting will be done by posting this information on the District’s website and notifying the Board of Directors.



As described under the caption “—COVID-19 Outbreak,” California’s Governor suspended utility service shutoffs through December 31, 2021, and the District did not collect late fees or penalties for delinquencies that were incurred prior to that date. The District reinstated late fees and penalties on delinquent customers as of September 1, 2022 and reinstated shutoffs as of October 1, 2022. The District’s current accounts receivable balance is approximately equal to the balance prior to the suspension of shutoffs.

### **Outstanding Indebtedness**

***Improvement District Indebtedness.*** As of December 31, 2023, the District had \$488,780,000 aggregate principal amount of outstanding *ad valorem* assessment bonds (the “**Ad Valorem Assessment Bonds**”) on behalf of the Improvement Districts. The Ad Valorem Assessment Bonds are secured by *ad valorem* assessments on land within the respective Improvement District, and are not by their terms payable from Revenues, except for the Series 2011A Bonds, the Bonds of the Irvine Ranch Water District, Series 2010B (the “**Series 2010B Bonds**”) and the Bonds of Irvine Ranch Water District, Series 2016 (the “**Series 2016 Bonds**”), each of which is described below under the caption “—Parity Obligations.” The District’s practice has been to apply Net Revenues remaining after the payment of debt service on Parity Obligations and subordinate obligations to the principal of and interest on the Ad Valorem Assessment Bonds. Pursuant to Section 35975 of the Act, the District also may levy certain rates and charges in lieu of *ad valorem* assessments to pay the Ad Valorem Assessment Bonds. The District does not currently levy in-lieu rates and charges. Any such in-lieu rates and charges levied by the District in the future would not constitute Revenues. The following table illustrates a breakdown of outstanding Ad Valorem Assessment Bonds by Improvement District as of December 31, 2023.

**TABLE 3**  
**IRVINE RANCH WATER DISTRICT**  
**Outstanding Ad Valorem Assessment Bonds By Improvement District**

<i>Improvement District</i>	<i>Amount Authorized</i>	<i>Amount Issued</i>	<i>Remaining Unissued Bonds Authorized</i>	<i>Amount Outstanding as of December 31, 2023</i>
<b>Waterworks Bonds</b>				
110	\$ 0	\$ 0	\$ 0	\$ 0
112	28,512,300	8,111,479	20,400,821	6,917,106
<b>113<sup>(1)</sup></b>	<b>25,769,500</b>	<b>16,299,920</b>	<b>9,469,580</b>	<b>12,740,804</b>
<b>125<sup>(1)(2)</sup></b>	<b>735,246,000</b>	<b>429,728,732</b>	<b>305,517,268</b>	<b>160,777,059</b>
153	237,300,000	7,601,244	229,698,756	7,276,317
154	4,839,000	0	4,839,000	0
185	13,500,000	1,492,889	12,007,111	1,429,073
188	8,174,000	4,589,618	3,584,382	1,554,095
<b>Total Waterworks Bonds</b>	<b>\$ 1,053,340,800</b>	<b>\$ 467,823,883</b>	<b>\$ 585,516,917</b>	<b>\$ 190,694,454</b>
<b>Sewer Bonds</b>				
1 <sup>(3)</sup>	\$ 2,000,000	\$ 2,000,000	\$ 0	\$ 0
212	108,712,000	26,013,323	82,698,677	22,655,463
<b>213<sup>(1)</sup></b>	<b>87,648,000</b>	<b>28,565,396</b>	<b>59,082,604</b>	<b>19,689,491</b>
<b>225<sup>(1)(4)</sup></b>	<b>856,643,000</b>	<b>493,304,113</b>	<b>363,338,887</b>	<b>229,159,747</b>
240	117,273,000	49,722,056	67,550,944	13,162,864
252	0	0	0	0
253	122,283,000	11,877,248	110,405,752	11,369,536
256	0	0	0	0
285	21,300,000	1,808,776	19,491,224	1,731,457
288	8,977,000	443,106	8,533,894	316,988
<b>Total Sewer Bonds</b>	<b>\$ 1,324,836,000</b>	<b>\$ 613,734,018</b>	<b>\$ 711,101,983</b>	<b>\$ 298,085,546</b>
<b>Total District</b>	<b>\$ 2,378,176,800</b>	<b>\$ 1,081,557,900</b>	<b>\$ 1,296,618,900</b>	<b>\$ 488,780,000</b>

<sup>(1)</sup> The Series 2011A Bonds represent the consolidated, several general obligations of these Improvement Districts. See the Remarketing Statement under the caption “SECURITY FOR THE SERIES 2011A BONDS—General—Assessment Proceeds and Pledge of Revenues.”

<sup>(2)</sup> Improvement District No. 125 was created on November 11, 2013 and reflects the consolidation of portions of former Improvement District Nos. 105, 106, 102, 121, 130, 135, 140, 161, 182, 184 and 186.

<sup>(3)</sup> Also referred to as Improvement District No. 210.

<sup>(4)</sup> Improvement District No. 225 was created on November 11, 2013 and reflects the consolidation of portions of former Improvement District Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286.

Source: The District.

**Parity Obligations.** In addition to the Series 2011A Bonds, the District has the following Outstanding Parity Obligations:

- **Prior Reimbursement Agreements.** In connection with the District’s prior issuances of variable interest rate *ad valorem* assessment bonds, the District has entered into several reimbursement agreements (the “**Prior Reimbursement Agreements**”) with various letter of credit banks (the “**Prior Banks**”). Pursuant to the terms of the Prior Reimbursement Agreements, the District’s obligations to reimburse the Prior Banks will be payable from Net Revenues on parity with the Series 2011A Bonds and other Parity Obligations. There are currently no reimbursement obligations outstanding, although the District may incur reimbursement obligations under such Prior Reimbursement Agreements as provided therein. Variable interest rate bonds that are purchased by a Prior Bank bear interest at a significantly higher interest rate, and a Prior Bank that has purchased such bonds may elect to convert the term of such bonds into a term loan that is amortizable over a period of up to three years, depending upon the applicable Prior Reimbursement Agreement, resulting in significant increases in debt service. The following table summarizes the stated amount of each letter of credit associated with the Prior Reimbursement Agreements.

**TABLE 4**  
**IRVINE RANCH WATER DISTRICT**  
**Summary of Prior Reimbursement Agreements**  
**As of December 31, 2023**

<i>General Obligation Bonds</i>	<i>Outstanding Principal</i>	<i>Letter of Credit Bank</i>	<i>Expiration Date</i>	<i>Letter of Credit Stated Amount</i>	<i>Reimbursement Obligations Outstanding</i>
Series 1993	\$ 21,200,000	U.S. Bank National Association	05/01/25	\$ 21,485,764	\$ 0
Series 2008A	39,000,000	Sumitomo Mitsui Banking Corp.	05/28/25	39,576,986	0
Series 2009A	45,000,000	U.S. Bank National Association	05/01/25	45,503,014	0
Series 2009B	<u>45,000,000</u>	Bank of America, N.A.	04/21/25	<u>45,503,014</u>	<u>0</u>
TOTAL	\$ 150,200,000			\$ 152,068,778	\$ 0

Source: The District.

- **Series 2010B Bonds.** In 2010, the District issued \$175,000,000 aggregate principal amount of Series 2010B Bonds. The Series 2010B Bonds were outstanding as of December 31, 2023 in the aggregate principal amount of \$175,000,000 and mature in 2040. In addition to: (i) *ad valorem* assessments on taxable land in certain Improvement Districts levied pursuant to the Act; (ii) water or sewer charges, as applicable, which in the discretion of the Board of Directors of the District are fixed and collected in such Improvement Districts in lieu of *ad valorem* assessments pursuant to the Act; and (iii) proceeds from the sale of property in such Improvement Districts for the enforcement of delinquent assessments pursuant to the Act (collectively, “**Assessment Proceeds**”), the Series 2010B Bonds are payable from Net Revenues on a parity with the Series 2011A Bonds and other Parity Obligations. See the caption “WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Reduction in BAB Credits” for a discussion of the effect of the federal sequester on the receipt of interest subsidy payments relating to the Series 2010B Bonds.

- **2016 Installment Sale Agreement.** In 2016, the District entered into an Installment Sale Agreement (the “**2016 Installment Sale Agreement**”) in connection with the execution and delivery of the District’s \$116,745,000 aggregate principal amount of Certificates of Participation Irvine Ranch Water District Series 2016. The 2016 Installment Sale Agreement was outstanding as of December 31, 2023 in the aggregate principal amount of \$105,710,000 and matures in 2046. The District’s obligation to make installment payments pursuant to the 2016 Installment Sale Agreement is payable from Net Revenues on a parity with the Series 2011A Bonds and other Parity Obligations.

- **Series 2016 Bonds.** In 2016, the District issued \$103,400,000 aggregate principal amount of Series 2016 Bonds. The Series 2016 Bonds were outstanding as of December 31, 2023 in the aggregate principal amount of \$98,980,000 and mature in 2046. In addition to Assessment Proceeds, the Series 2016 Bonds are payable from Net Revenues on a parity with the Series 2011A Bonds and other Parity Obligations.

**Future Indebtedness.** The District currently anticipates issuing additional bonds in the estimated principal amount of \$200 million in Fiscal Year 2027, although the District has not yet determined which source of revenues will be pledged to repay such bonds and there can be no assurance as to the ultimate timing or principal amount of such bonds. Proceeds from such bonds are expected to be used to finance various capital projects throughout the District. Given the uncertainties associated with the timing of and repayment source for such proposed bonds, the projected operating results set forth under the caption “WATER AND SEWER

SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage” do *not* reflect any projected debt service on such bonds in Fiscal Years 2027 or 2028.

***Subordinate Debt.***

- **Interest Rate Swap Transactions.** As of December 31, 2023, the District was also obligated under two interest rate swap transactions with a total notional amount of \$60 million and termination dates in March 2029, pursuant to which the District is entitled to receive variable rate payments based on a floating rate index (the one-month Secured Overnight Financing Rate, plus a spread) in return for the District’s obligation to make payments at a fixed interest rate of 5.687%, determined by reference to the outstanding notional amount (the “**Swaps**”).

The Swaps are evenly distributed, as to notional amount on a particular payment date, between two swap counterparties – Bank of America, N.A. (“**BANA**”) and Citibank, N.A. (“**Citibank**”). For additional information with respect to the payment terms and other information relating to the Swaps, see Note 3 to the District’s audited financial statements attached to the Remarketing Statement as Appendix B. Regularly-scheduled and early termination payments with respect to the Swaps constitute unsecured general obligations of the District payable from legally available funds. The Swaps are payable from certain Revenues on a subordinate basis to the District’s obligation to pay the Series 2011A Bonds and debt service on other Parity Obligations. In addition, any amounts received by the District pursuant to the Swaps constitute Revenues and, as such, are pledged to the payment of the Series 2011A Bonds and other Parity Obligations. Based on the structure and financial terms of each Swap, the mark-to-market value of the Swaps will not exceed a collateral threshold amount of \$15,000,000; accordingly, the District does not expect to post collateral with respect to the Swaps in the future.

The above-described interest rate swap transactions entail risk to the District. For example, there is no guarantee that the floating rate payable to the District pursuant to a Swap will match the variable interest rate on the related Parity Obligations at all times or at any time. Under certain circumstances, a Swap counterparty may be obligated to make a payment to the District under a Swap that is less than the interest due on the related Parity Obligations. In such event, the District would be obligated to pay such insufficiency from Revenues. This has occurred on certain occasions.

In addition, the Swap counterparties may fail or be unable to perform, actual interest rates may vary from assumptions or the District could be required to make a net payment (on a subordinate basis to the Series 2011A Bonds) to a Swap counterparty in the event of an early termination of one or more Swaps. The early termination of a Swap may not affect the obligations of the counterparty with respect to the other Swap. The District cannot predict if any of the foregoing events will occur with respect to one or more of the Swaps. The District may also elect from time to time to enter into additional interest rate swap agreements with security and payment provisions determined by the District, and the risks described in this paragraph could also apply to such additional interest rate swap agreements. However, the District does not anticipate that any such event would have a material adverse effect on the District’s ability to pay the principal of and interest on the Series 2011A Bonds.

In connection with the Swaps, the District has entered into certain protocols, including amendments or supplements to the Swaps, to comply with ISDA’s Dodd-Frank Documentation Initiative and other requirements, including responses to regulatory requirements binding others, imposed under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

- **Santiago County Water District Consolidation.** The District and Santiago County Water District (“**SCWD**”) consolidated effective July 1, 2006. As successor to SCWD, the District is obligated to satisfy the following obligations: (i) a fiscal services agreement with the State of California Department of Water Resources, with a loan balance of approximately \$197,000 as of December 31, 2023 and final payment due in

2025; and (ii) a promissory note payable to Foothill/Eastern Transportation Corridor Agency with a remaining balance of approximately \$396,400 as of December 31, 2023 and a final payment date in 2045.

**Variable Rate Debt Management**

The Board of Directors of the District has adopted a policy to maintain a target amount of investment assets equal to 75% or more of the District’s outstanding unhedged variable rate indebtedness. No assurance can be made that the Board of Directors of the District will not modify such policy in the future.

**Current Investments**

As of December 31, 2023, the District had investments (excluding the real estate investments that are described below) with a market value of approximately \$396.0 million as follows:

**TABLE 5  
IRVINE RANCH WATER DISTRICT  
Summary of Investments<sup>(1)</sup>**

<i>Investment Type</i>	<i>Approximate Investment Amount in Millions</i>	<i>Percentage of Total Investments</i>
Federal Agency Securities	\$ 133.2	33.65%
Treasury Equivalent – Money Market	14.3	3.61
United States Treasury Securities	<u>248.5</u>	<u>62.74</u>
<b>Total</b>	<b>\$ 396.0</b>	<b>100.00%</b>

<sup>(1)</sup> Reflects market values as of December 31, 2023. Rounded. Excludes real estate investments that are described below. Source: The District.

In addition to the moneys invested as described in Table 5 above, the District has invested approximately \$106.1 million of its capital facilities replacement fund in real property. The District’s current real property investments include a limited partnership interest in a 230-unit apartment complex (the “**Wood Canyon Villas Apartments**”), ownership of a 450-unit apartment complex (the “**Sycamore Canyon Apartments**”) and four commercial office buildings (the “**Irvine Market Place**,” the “**Waterworks Business Park**,” the “**Sand Canyon Professional Center**” and the “**Sand Canyon General Office**”). The Sand Canyon General Office building was completed in August 2020 and was fully leased in 2022. The District’s real estate investments are income-producing properties and the earnings and projected earnings for all properties are reflected in Tables 6 and 7, respectively, below.

Under current accounting rules, real estate investments are shown at fair market value. The total fair market value of the above-described assets as of June 30, 2023 was approximately \$293.3 million.

On September 1, 2017, the District sold an undeveloped parcel known as Lake Forest Serrano Summit for \$136.0 million. Terms of the sale included a 40% down payment, with the balance of \$81.6 million secured by a note and deed of trust on the property and due in 24 months at a 4.0% interest rate. On July 24, 2019, the District executed an amendment to the note under which the District agreed to an extension of the original September 1, 2019 maturity. The loan amendment also increased the principal amount to include interest earned to September 1, 2019, for a total principal amount of \$88.1 million. The entire outstanding principal balance and all accrued unpaid interest was paid in a single lump sum in mid-2020. Any future changes in fair market value will be reflected in the District’s annual Statement of Revenues, Expenses and Changes in Net Position.

**Historic Net Real Estate Income**

The following table shows the net real estate income after expenses of the District for the five most recent Fiscal Years.

**TABLE 6**  
**IRVINE RANCH WATER DISTRICT**  
**Historic Net Real Estate Income**  
**(in Thousands)**

<i>Fiscal Year</i>	<i>Net Income</i>
2019 <sup>(1)</sup>	\$ 8,372
2020 <sup>(2)</sup>	12,549
2021	9,822
2022	9,756
2023	11,398

<sup>(1)</sup> Fiscal Year 2019 includes expenses associated with development agreement obligations to the City of Lake Forest related to Lake Forest Serrano Summit property, which resulted in a reduction in net real estate income. See the caption “—Current Investments.”  
<sup>(2)</sup> Fiscal Year 2020 reflects receipt of payment of interest on the Lake Forest Serrano Summit note. See the caption “—Current Investments.”

Source: The District.

**Projected Net Real Estate Income**

The following table projects the net real estate income after expenses of the District for the current and next four Fiscal Years.

**TABLE 7**  
**IRVINE RANCH WATER DISTRICT**  
**Projected Net Real Estate Income**  
**(in Thousands)**

<i>Fiscal Year</i>	<i>Net Income</i> <sup>(1)</sup>
2024	\$11,900
2025	12,200
2026	12,566
2027	12,943
2028	13,331

<sup>(1)</sup> Based on existing and expected leases. See the caption “—Current Investments.”  
 Source: The District.

**1% Property Tax Revenues**

Pursuant to the Act, the Board of Supervisors of the County is required to levy a “general assessment” on assessable property within the boundaries of the District that is sufficient to raise the amounts determined each year by the District’s Board of Directors to be necessary for the authorized purposes of the District. These provisions, however, have largely been superseded by the passage by the California electorate in June of 1978 of Article XIII A of the California Constitution (commonly known as “Proposition 13”), and by the legislation subsequently enacted by the California Legislature to implement Article XIII A. As a result of Article XIII A and its implementing legislation, the District receives as proceeds of the “general assessment” a share of the one

percent *ad valorem* property tax collected by the County from assessable property within the boundaries of the District (the “**1% Property Tax Revenues**”).

From time to time legislation has been considered as part of the State budget to shift 1% Property Tax Revenues collected by each county from local agencies, including special districts such as the District, to school districts or other governmental entities. However, Proposition 1A (“**Proposition 1A**”), which was approved by the voters in November 2004, restricted State authority to reduce major local tax revenues. In addition, on November 2, 2010, California voters approved Proposition 22 (“**Proposition 22**”), the provisions of which superseded many of the provisions of Proposition 1A. Proposition 22: (i) prohibits the State from shifting or delaying the distribution of funds from special districts to schools and community colleges; (ii) eliminates the authority to shift property taxes temporarily during a severe financial hardship of the State; and (iii) restricts the State’s authority to use fuel tax revenues to pay debt service on transportation bonds, to borrow or change the distribution of fuel tax revenues or to use Vehicle License Fee revenues to reimburse local governments for state-mandated costs.

A portion of the District’s 1% Property Tax Revenues was previously subject to borrowing by the State under Proposition 1A. Despite the passage of Proposition 22, there can be no assurance that the 1% Property Tax Revenues which the District currently expects to receive will not be temporarily shifted from the District in future fiscal years or reduced pursuant to State legislation enacted in the future. If the property tax formula is permanently changed in the future, it could have a material adverse effect on the receipt of 1% Property Tax Revenues by the District. See the Remarketing Statement under the caption “SECURITY FOR THE SERIES 2011A BONDS—Pledge of Assessment Proceeds and Revenues” for a discussion of the extent to which 1% Property Tax Revenues are available to pay principal of and interest on the Series 2011A Bonds.

The table below sets forth the amount of 1% Property Tax Revenues received by the District for the five most recent Fiscal Years.

**TABLE 8**  
**IRVINE RANCH WATER DISTRICT**  
**1% Property Tax Revenues**  
**(in Thousands)**

<i>Fiscal Year</i>	<i>1% Property Tax Revenues</i>
2019	\$43,581
2020	45,604
2021	48,032
2022	50,898
2023	50,472

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Source: The District.

**Alternative Method of Tax Apportionment – “Teeter Plan”**

The Board of Supervisors of the County has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “**Teeter Plan**”), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property assessments on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the County acts as the assessment-levying or assessment-collecting agency.

The Teeter Plan for the County is applicable to all assessment levies for which the County acts as the assessment-levying or assessment-collecting agency, or for which the treasury of the County is the legal depository of assessment collections.

The *ad valorem* property assessments to be levied by the District will be subject to the Teeter Plan. The District will receive 100% of the *ad valorem* property assessment levied on secured property to pay the Ad Valorem Assessment Bonds irrespective of actual delinquencies in the collection of the assessment by the County so long as the Teeter Plan remains in effect. The District's share of 1% Property Tax Revenues and revenues from a small number of accounts located in Newport Beach for which the District provides only sewer service (as discussed under the caption “—Time and Manner of Payments for Service Charges”) are also subject to the Teeter Plan.

The Teeter Plan is to remain in effect for the County unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors of the County receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the County. In the event that the Board of Supervisors of the County discontinues the Teeter Plan for the County, only those secured property assessments that are actually collected would be allocated to political subdivisions (including the District) for which the County acts as the assessment-levying or assessment-collecting agency.

### **Governmental Regulations**

The District's operations are subject to numerous environmental regulations enforced by multiple governmental entities. Programs are in place for compliance with drinking water regulations, water discharge regulations, underground and aboveground fuel storage tank regulations, hazardous materials management plans, hazardous waste regulations, air quality permitting requirements, wastewater discharge limitations and employee safety issues relating to hazardous materials and other conditions. Also, the District aggressively pursues the investigation and, when appropriate, the implementation of alternative methods and technologies for meeting increasingly strict environmental regulations.

The District expects environmental regulation to increase, resulting in higher capital and operating costs in the future, which may have a material adverse effect on the finances of the District.

Although the District's Board of Directors establishes the schedules of water, sewer and recycled water rates for each Fiscal Year, such rates are subject to the requirements of Proposition 218, which are described further under the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES— Proposition 218.”

### **Climate Change**

The State has historically been susceptible to wildfires and hydrologic variability. As greenhouse gas (“GHG”) emissions continue to accumulate in the atmosphere, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves, and raising sea levels.

As a recognized industry leader with a history of implementing innovative and cutting-edge practices and cost-effective programs, the District developed an Energy and GHG Master Plan in 2012 to improve, optimize and reduce its energy consumption and GHG emissions. The plan identified cost-effective capital projects to reduce the District's existing and future energy usage, costs and, as required under future regulatory conditions, the District's GHG emissions. The District is currently developing a Climate Action Plan that will identify additional cost-effective projects and programs that can help reduce GHG emissions. This plan will also take into consideration potential operational changes and projected climate impacts on the District's water supply reliability.

In 2021, *The Climate Registry*, which oversees North America's largest voluntary greenhouse gas registry, empowering organizations and public agencies to act on climate change by reducing their carbon emissions, honored the District with gold-level status for demonstrating exceptional leadership in meeting



rigorous voluntary greenhouse gas reporting criteria. The District recently completed its 2022 GHG inventory, which is undergoing third party verification. Upon verification, the inventory will be submitted to *The Climate Registry*.

### **COVID-19 Outbreak**

The spread of the novel strains of coronavirus that are collectively called SARS-CoV-2, which cause the disease known as COVID-19 (“**COVID-19**”), and local, State and federal actions in response to COVID-19, impacted the District’s operations and finances in recent years. In response to the initial outbreak of COVID-19, the World Health Organization declared the COVID-19 outbreak to be a pandemic and, on March 4, 2020, as part of the State’s response to the outbreak, the Governor declared a state of emergency. On March 13, 2020, the President declared a national emergency, freeing up funding for federal assistance to state and local governments.

In response to the COVID-19 outbreak, the Governor suspended utility service shutoffs through December 31, 2021, and the District did not collect late fees or penalties for delinquencies that were incurred prior to that date. The District reinstated late fees and penalties on delinquent customers as of September 1, 2022 and reinstated shutoffs as of October 1, 2022. The District offers payment plans to customers who cannot pay their delinquent bills, and customers who enter into and remain current on their payment arrangements are not eligible for shutoff. See the caption “—Time and Manner of Payments for Service Charges.”

The District’s accounts receivable balance increased slightly during the time when utility service shutoffs were prohibited; however, the current accounts receivable balance is approximately equal to the balance prior to the suspension of shutoffs. The District has made low income assistance programs available to delinquent customers and participated in the California Water and Wastewater Arrearage Payment Program (the “**CWWAPP**”), a State program that provided up to \$1 billion to water service providers to cover delinquencies by commercial and residential customers during the period between March 4, 2020 and June 15, 2021. In late 2021 and early 2022, the District received funds to cover water service arrearages totaling \$1.4 million and sewer service arrearages totaling \$0.5 million under CWWAPP. Customers who still had delinquent balances after application of CWWAPP funds were referred to the California’s Low Income Water Assistance Program (“**LIHWAP**”) administered by the State Department of Community Services and Development and other low-income assistance programs. The LIHWAP program provides benefits of up to \$2,000 per qualified household and the District currently receives payments from the LIHWAP third party administrator and applies the payments directly to the customer’s account.

The District continues to actively monitor customer usage, revenues and delinquencies so that any further impacts can be anticipated. See the caption “**WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage.**”

### **WATER SUPPLY**

The District was formed in 1961 for the purpose of obtaining a water supply for municipal and irrigation uses. For the twelve-month period ended June 30, 2023, of the water supplied by the District, approximately 21% was imported water, approximately 51% was groundwater and native stream flows and approximately 28% was recycled water. The District notes that recycled water sales are not subject to the drought conservation regulations that have been released by the State in recent years, as discussed under the caption “—Water Use Efficiency,” or any voluntary conservation measures.

The District operates a number of wells and reservoirs that produce or store local water for both potable and non-potable uses. Surface storage includes Irvine Lake, a 25,000 acre feet reservoir that is jointly owned by the District and Serrano Water District. Irvine Lake receives native water from the Santiago Creek watershed and is also used to store imported untreated water. The District’s share of such water is treated at the Baker Water Treatment Plant (the “**Baker WTP**”) to help meet potable water demands for Baker WTP partner districts.

Such water is also used for agricultural and other irrigation purposes and supplements the recycled water system during peak demand periods. See the caption “THE WATER SYSTEM—General” for a discussion of the use of Irvine Lake water at the Baker WTP under certain circumstances. Irvine Lake is impounded by the Santiago Creek Dam, the outlet tower and spillway of which (but not the dam itself) have reached the end of their useful lives. The District and Serrano Water District are currently undertaking an approximately \$284,000,000 project to replace the outlet tower and spillway. See the captions “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Future Indebtedness” and “FUTURE CAPITAL IMPROVEMENTS.”

In addition, the District has a total of approximately 5,250 acre feet of recycled water storage capacity in its Sand Canyon, Rattlesnake, San Joaquin and Syphon Reservoirs and is currently evaluating additional recycled water storage projects. See the caption “THE WATER SYSTEM—General” for a discussion of the possible expansion of the Syphon Reservoir.

### **Imported Water**

In Fiscal Year 2023, the District purchased 16,367 acre feet of water imported from the Colorado River and northern California by The Metropolitan Water District of Southern California (“MWD”). MWD supplies water through its member agencies, including the member agency in which the District is situated, Municipal Water District of Orange County (“MWDOC”). The cost of treated and untreated imported water from MWDOC as of June 30, 2023 is \$1,209 per acre foot and \$855 per acre foot, respectively, rising to \$1,256 per acre foot and \$903 per acre foot, respectively, on January 1, 2024. In addition, the District currently pays a fixed charge to MWDOC in the form of readiness to serve, capacity reservation and service connection charges. The readiness to serve and capacity reservation charges are paid monthly and, as of June 30, 2023, total \$155,100 per month, while the service connection charge is paid annually and, for Fiscal Year 2023, was \$1,400,000.

MWD faces various challenges in the continued supply of imported water to MWDOC. A description of these challenges as well as a variety of other operating information with respect to MWD is included in certain disclosure documents prepared by MWD. MWD periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. MWD has also entered into certain continuing disclosure agreements pursuant to which MWD is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”). Such official statements, other disclosure documents, annual reports and notices (collectively, the “MWD Information”) are filed with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“EMMA”) at <http://emma.msrb.org>. The MWD Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. MWD HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2011A BONDS TO PROVIDE MWD INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2011A BONDS.

**MWD HAS NOT REVIEWED THIS REMARKETING STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO MWD. MWD IS NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE DISTRICT OR THE OWNERS OF THE SERIES 2011A BONDS UNDER RULE 15c2-12.**

### **Groundwater**

*General.* One of the goals of the District’s Water Resources Master Plan is to identify a reliable water supply mix, which includes developing sufficient groundwater production capacity to pump up to the District’s basin production percentage (the “BPP”) set by the Orange County Water District (“OCWD”), the agency

responsible for managing the Orange County groundwater basin, to produce other local groundwater and to have sufficient capacity to meet demands during supply interruptions. District groundwater pumping is affected by policies of OCWD, including the setting of: (i) replenishment assessments; (ii) a BPP; and (iii) basin equity assessments, each of which is described below.

*Replenishment Assessments.* OCWD establishes and collects replenishment assessments as a means of purchasing water and funding projects for the purpose of replenishing the Orange County groundwater basin. The replenishment assessment is established annually by OCWD and applies to every acre foot of groundwater produced from the basin.

*Basin Production Percentage.* In addition, each year, OCWD sets the BPP for water to be extracted from the Orange County groundwater basin. The BPP is the amount of groundwater, as a percentage of the total water demands of a groundwater pumping agency such as the District, that can be pumped from the Orange County groundwater basin during the year by the groundwater pumping agency without incurring the additional assessment described below. The amount of groundwater that an agency can pump without incurring the additional assessment is calculated by multiplying the total water use of such agency by the BPP (the “**BPP formula**”). Between Fiscal Years 2012 and 2023, the BPP varied from 62% to 85%. In connection with the annexation of certain land by OCWD (as discussed in detail below), the District agreed to a maximum BPP of 70% through October 2023, after which time the applicable BPP will be set annually by OCWD. OCWD board of directors set the BPP at 85% for Fiscal Year 2024.

Currently, OCWD calculates total water use for the purpose of the BPP without considering recycled water sales to customers. This methodology reduces the amount of groundwater that recycled water sellers such as the District may pump from the Orange County groundwater basin without incurring additional assessments. See the caption “—Complaint against OCWD” for a discussion of a lawsuit that the District filed against OCWD in June 2016 with respect to this issue.

*Basin Equity Assessment.* The additional assessment incurred by an agency that pumps non-exempt groundwater above the limit established by the BPP formula is called the basin equity assessment (the “**BEA**”). The BEA is established annually by OCWD for every acre foot of groundwater produced from the Orange County groundwater basin above the BPP formula (with exemptions described further below for pumping that OCWD determines will provide water quality and other benefits) and is intended to increase the cost of producing groundwater in amounts above the BPP formula so that it equals the cost of importing water, thereby encouraging groundwater pumping agencies to supplement their groundwater production with imported water for the portion of their water use that exceeds the BPP. The BEA is a surcharge to discourage, yet still allow for, the production of groundwater in excess of the BPP formula. One of the District’s operating objectives is to produce the maximum amount of groundwater within the BPP formula and to avoid producing groundwater in excess of such maximum in order to avoid paying the BEA.

In Fiscal Year 2015, the amount of groundwater that the District pumped from the Orange County groundwater basin exceeded its BPP by approximately 300 acre feet under the methodology prescribed by OCWD. As further discussed under the caption “—Complaint against OCWD,” OCWD’s methodology prohibits the District from counting its use of recycled water as part of its total water demand, which the District believes inflates the amount of District pumping over the BPP. Based on the figure of 300 acre feet of pumping over the BPP, the District paid a BEA of approximately \$182,000 to OCWD in Fiscal Year 2015. Based on OCWD’s methodology, the District paid under protest a cash BEA of approximately \$1.7 million for Fiscal Year 2016, \$1.8 million for Fiscal Year 2017, \$2.25 million for Fiscal Year 2019, \$2.6 million for Fiscal Year 2020, \$4.7 million for Fiscal Year 2021, \$3.5 million for Fiscal Year 2022 and \$4.9 million for Fiscal Year 2023. The District did not pay a BEA for Fiscal Year 2018.

The District has filed a court challenge to OCWD’s methodology and policies regarding BEA calculations that exclude the District’s use of recycled water. See the caption “—Complaint against OCWD.” Through this litigation, the District is seeking a refund of all or a portion of BEA payments for Fiscal Years

2016, 2017, 2019, 2020, 2021, 2022 and 2023. In addition, the District seeks a judicial declaration in the litigation that, because of OCWD's failure to consider recycled water a supplemental source of water, OCWD has miscalculated the amount of BEA credits remaining under various contracts with OCWD concerning groundwater quality projects being undertaken by the District.

OCWD has sought to enable groundwater producers to derive a larger percentage of their water supplies from local sources in times of statewide drought so that such producers can reduce purchases of imported water at increased rates. For these reasons, OCWD has gradually increased the BPP in recent years. The BPP has been set at 85% for Fiscal Year 2024. In accordance with its 70% BPP, the District pumped approximately 43,964 acre feet of water from the Orange County groundwater basin in Fiscal Year 2023. The District currently pays OCWD a replenishment assessment of \$624 per acre foot for all groundwater pumped and a BEA equal to an additional \$599 per acre foot for groundwater pumped in excess of the BPP formula.

For certain portions of the District's groundwater production, the application of OCWD's BPP and BEA varies from the above general description. The District's Dyer Road Well Field has a production amount established by contract with OCWD as described in the below paragraph. The District also has several projects through which groundwater is produced that are, by contract with OCWD, completely or partially exempt from the BEA. While this "BEA-exempt" groundwater typically requires treatment, the District's cost to produce and treat this groundwater is effectively capped at the cost for imported water. Additionally, as portions of the District currently lie outside of OCWD's jurisdictional boundary, water demands in those areas are not included by OCWD in the accounting of the BPP for the District. Currently, approximately 17% of the District's water demand is from outside the OCWD jurisdictional boundary. In 2014, the Orange County Local Agency Formation Commission approved the annexation of approximately 6,482 acres of land within the District into OCWD. The majority of such land is open space and is not expected to be subject to additional water demand at this time.

The BPP formula for the District's Dyer Road Well Field is not adjusted annually by OCWD but is fixed by contract with OCWD at 28,000 acre feet per year of clear groundwater, subject to the requirement that the amount over 20,000 acre feet is matched by an equal amount of groundwater pumped from the District's Deep Aquifer Treatment System (the "DATS"), which treats water from a deep aquifer in order to remove organic color. Like OCWD's general BPP, the Dyer Road Well Field's contractually fixed BPP formula discourages, but does not prohibit, production over such amount through the application of the BEA to any excess amount.

As discussed above, effective October 2, 2013, the District entered into an agreement with OCWD pursuant to which approximately 6,482 acres of the District's territory was annexed to OCWD upon the Orange County Local Agency Formation Commission's approval in July 2014. Under the annexation agreement, the District agreed to a specified termination date for its BEA exemption on the DATS, represented that the DATS wells would be used to supply the groundwater used in the annexed territory and agreed that for a period of ten years (i.e., through 2023) from the effective date of the annexation agreement, the District will be deemed subject to a BPP equal to the lesser of OCWD's actual BPP or 70%.

The District also produces groundwater from its Irvine Desalter Project, which is described in greater detail under the caption "—Irvine Desalter Potable Water and El Toro Groundwater Remediation Projects." In Fiscal Year 2023, the Irvine Desalter Project provided a combined total potable and non-potable water production of approximately 5,528 acre feet that is exempt from the BPP. In addition, a combined additional approximately 4,600 acre feet per year of production is available from three other wells, the Orange Park Acres well ("OPA-1"), Well 2 in Lake Forest and Well 115 in Irvine. Water from Well 115 is pumped and treated at the Irvine Desalter Project. However, such water is not accounted for as Irvine Desalter Project water because it was not part of the original Irvine Desalter Project. The available capacity of the OPA-1 well recently increased per agreement from 900 acre feet to 3,200 acre feet per year. Production from the OPA-1 well and Well 115 is subject to the BPP and the BEA. The District has not served water from the OPA-1 well since 2018 and Well 2 was offline in Fiscal Year 2023 and is exempt from the BPP and the BEA.

In addition, in April 2013, the District completed construction of the Wells 21 and 22 project. The Wells 21 and 22 facility produced approximately 2,400 acre feet and 1,158 acre feet of groundwater in Fiscal Years 2022 and 2023, respectively. These wells are exempt from the BPP and the BEA. The District plans to expand its groundwater production facilities further, and is currently evaluating potential well sites. The District also has rights to native water impounded in Irvine Lake and at the Harding Canyon Dam in the Santiago Canyon area. Such native water does not produce firm annual yields.

**Complaint against OCWD.** As discussed under the caption “—General,” OCWD annually establishes the BPP, which is the amount of groundwater, as a percentage of total water demands, that groundwater producers can pump from the Orange County groundwater basin without incurring additional assessments. Currently, OCWD calculates total water demands without considering recycled water sales. As discussed under the caption “—Recycled Water” and “THE SEWER SYSTEM—Historic Recycled Water Sales and Sewer Service Charge Revenues,” the District sells significant quantities of recycled water to its customers. Because OCWD does not consider recycled water sales in calculating the District’s total water demands, OCWD considers the District’s total water demands to be lower than they would be if recycled water sales were counted. As a result, the amount of groundwater that the District can pump from the Orange County groundwater basin without incurring additional assessments is lower than it would be if recycled water sales were considered.

As discussed above, in June 2016, the District filed a complaint (the “**Complaint**”) against OCWD in the Superior Court for the State of California, County of Orange, seeking an order determining that OCWD’s BPP calculation methodology is unlawful in that it improperly excludes the recycled water that the District produces. In August 2016, OCWD filed an answer to the Complaint denying all substantive allegations. In addition, the City of Anaheim, three local water agencies and one private water company (Golden State Water Company) that produce groundwater from the Orange County groundwater basin filed an answer to the original Complaint and joined the litigation as interested parties. In September 2016, the parties entered into a stipulation under which: (i) the District filed a First Amended Complaint to clarify certain allegations; and (ii) venue was moved to the Superior Court for the State of California, County of Los Angeles (the “**Trial Court**”). The District filed a Second Amended Complaint on June 13, 2017, a Third Amended Complaint on November 30, 2017, a Fourth Amended Complaint on October 24, 2018, a Fifth Amended Complaint on June 10, 2019, a Sixth Amended Complaint on August 3, 2020 and a Seventh Amended Complaint on June 2, 2021. In addition, the cities of Seal Beach and Buena Park were dismissed from the case on September 25, 2017.

The Seventh Amended Complaint (incorporating claims that were originally raised in the Sixth Amended Complaint) challenged OCWD’s practice of prohibiting the “unlawful exportation” of groundwater to the portions of the District’s service area that are outside of OCWD’s service area, as well as OCWD’s April 17, 2019 adoption of a resolution numbered “D,” which set a production limitation and surcharge on groundwater pumping from the Orange County groundwater basin (the “**Production Limitation and Surcharge**”). The District contested the validity of the Production Limitation and Surcharge on various grounds, including that: (i) OCWD’s statutorily-required findings made for the Production Limitation and Surcharge are not supported by substantial evidence; (ii) the Production Limitation and Surcharge is being utilized as an improper method of restricting the unlawful exportation of water, which is not authorized under the OCWD Act; and (iii) OCWD’s proposed surcharge of \$2,000 per acre feet above the production limitation bears no reasonable relationship, and is therefore disproportionate, to either the benefit derived by the groundwater producer from OCWD’s action or the burden that the producer’s activities place on the Orange County groundwater basin.

On June 15, 2018, the District filed a Petition for Writ of Mandate and Complaint for Reverse Validation and Declaratory Relief in the Superior Court for the State of California, County of Orange and filed a First Amended and Supplemental Petition for Writ of Mandate and Complaint for Reverse Validation and Declaratory Relief on July 12, 2018 in the same court. This complaint alleges similar claims concerning OCWD’s BEA and BPP for Fiscal Year 2019. This action has been transferred to the Trial Court and consolidated with the original case.

On July 17, 2018, the Trial Court issued its ruling on the first phase of trial, which addressed the District's validation and mandamus claims concerning OCWD's actions disallowing recycled water as a supplemental source of water within the meaning of Section 31.5 of OCWD's governing act. The Trial Court upheld OCWD's position and denied relief to the District on the first four causes of action alleged in the Third Amended Complaint.

On September 30, 2019, the Trial Court issued its ruling on the second phase of the trial, which addressed the District's claims concerning unlawful exportation (as discussed above). The Trial Court granted the District relief on the key contested issue – OCWD's ability to restrict the exportation of groundwater. The Trial Court rejected OCWD's position that it had broad discretion to take any action necessary to prevent unlawful exportation, and instead agreed with the District that OCWD's power was limited to the conduct set forth in Section 2(9) of the OCWD Act (which is limited to filing a formal legal action).

In the third phase of trial (designated as Phase 2a), the District asserted claims challenging the validity of the Production Limitation and Surcharge (as discussed above) adopted by OCWD in April 2019. The District alleged that the Production Limitation and Surcharge improperly seeks to prohibit exports in violation of the OCWD Act and its limitation on OCWD's statutory power to prohibit exports through non-litigation means. On November 13, 2020, the Trial Court issued a ruling denying the District's claims asserted in Phase 2a. The sole remaining claims in the case at that point were cross claims seeking declaratory relief against the District relating to the groundwater rights of cross complainants (including nearby water retailers and the City of Anaheim) arising under a judgment entered in 1933 in an action entitled *Campbell v. The Irvine Company*.

The projected water production expenses that are set forth under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results" do not assume any reduction in payments to OCWD as a result of the Complaint.

In fall 2022, the District entered into certain stipulations with the water retailers and the City of Anaheim, and pursuant to those stipulations the Trial Court granted orders to the effect that the water right granted under the 1933 judgment was abandoned and forfeited and that the District does not possess that water right. The Trial Court also denied any injunctive relief. The trial court entered a judgment in March 2023. That judgement provides that all parties shall bear their respective legal attorney's fees. The District has filed a notice of appeal, and pursuant to stipulation, the other parties agreed that they would not file an appeal from any other rulings, including rulings adversely affecting their cross claims, except Golden State Water Company reserved the right to file a limited appeal concerning one aspect of the ruling in Phase 3 of the case. Briefing is ongoing in the appeal.

There can be no assurance as to the timing of any appellate decision or the ultimate outcome of the District's appeal.

***Irvine Desalter Potable Water and El Toro Groundwater Remediation Projects.*** The Irvine Desalter Potable Water and El Toro Groundwater Remediation Projects are groundwater development projects that were constructed by the District in cooperation with OCWD, the United States Departments of the Navy and Justice, MWD and MWDOC. The two projects commenced operations in early 2007.

The Irvine Desalter Potable Water Project consists of a potable water wellfield, pipelines and a purification plant. This project treats local groundwater to remove salts and nitrates caused by the natural geology and past agricultural use. The water is treated to drinking water standards through reverse osmosis and disinfection. The Irvine Desalter Potable Water Project was originally anticipated to pump approximately 5,100 acre feet of groundwater per year. However actual pumping may vary each year based on operational conditions. In Fiscal Years 2022 and 2023, the Irvine Desalter Potable Water Project produced approximately 3,978 acre feet and 3,834 acre feet of potable groundwater, respectively.

The El Toro Groundwater Remediation Project is treating a plume of contaminated groundwater from the main aquifer of the Irvine sub-basin of the Orange County groundwater basin. The plume originated from the former El Toro Marine Corps Air Station (the “MCAS”). The El Toro Groundwater Remediation Project consists of a treatment system that removes volatile organic compounds which are present in the groundwater as a result of the previous use of solvent degreasers at the MCAS. The treatment plant removes contaminants from the groundwater using an air stripper and granular activated carbon absorption units. The treated water is used in the District’s recycled water system and is designed to supply 3,400 acre feet of non-potable groundwater per year. In Fiscal Years 2022 and 2023, the El Toro Groundwater Remediation Project produced approximately 3,107 acre feet and 1,694 acre feet, respectively, from non-potable wells. The United States Department of the Navy is compensating the District for this component of the project as part of the Settlement Agreement for Groundwater Remediation of the MCAS. The District expects that such compensation will cover the project costs until the plume of contaminated groundwater is cleaned up.

The District also operates Wells 72 and 106, which are designed to produce 900 acre feet of non-potable water per year. In Fiscal Years 2022 and 2023, the wells produced 915 acre feet and 545 acre feet, respectively.

In addition to the two components described above, the Department of the Navy operates a number of wells on the former MCAS property. These wells pump contaminated groundwater from shallow basins located below the former base. Such water is treated by a treatment plant owned and operated by the District using an air stripper and granular activated carbon absorption units. These wells and the treatment plant, which are referred to as the Shallow Groundwater Unit (the “SGU”), are designed to treat approximately 640 acre feet per year of contaminated groundwater. The treated SGU water is disposed of via an existing ocean outfall. In Fiscal Years 2022 and 2023, the SGU treated approximately 564 acre feet and 475 acre feet, respectively, of water.

**Historic Groundwater Supply.** Set forth below is a summary of the District’s sources of groundwater supply in acre feet per year for the last five Fiscal Years.

**TABLE 9**  
**IRVINE RANCH WATER DISTRICT**  
**Historic Groundwater Supply In Acre Feet Per Year**

<i>Fiscal Year</i>	<i>Dyer Road Well Field</i>	<i>Deep Aquifer Treatment System</i>	<i>Irvine Desalter Project<sup>(1)</sup></i>	<i>Irvine Sub-basin</i>	<i>Other<sup>(2)</sup></i>	<i>Total</i>
2019	27,341	8,429	7,445	2,608	717	46,540
2020	23,217	8,489	6,772	2,279	6,064	46,821
2021	28,242	8,266	6,549	2,223	1,280	46,559
2022	26,451	6,492	7,574	2,400	1,607	44,524
2023	27,219	8,174	6,386	1,158	1,411	44,348

<sup>(1)</sup> Excludes water pumped from the SGU. Includes Well 115 and non-potable water (Wells ET-1, 2 and 78) used in the District’s recycled water system.

<sup>(2)</sup> Includes Well 2 in Lake Forest, Wells 72, 78 and 106 and In-Lieu water, which is imported water purchased at the request of OCWD. The In-Lieu program preserves and promotes groundwater basin levels, and the District generally responds affirmatively to In-Lieu program requests. Also includes the OPA-1 well. See the captions “—Groundwater—General” and “—Water Supply Reliability.” The District voluntarily took the OPA-1 well out of service in 2019 as a result of PFAS contamination. See the subcaption “—PFAS” below.

Source: The District.

**OCWD.** OCWD faces various challenges in managing the Orange County groundwater basin. A description of these challenges, as well as a variety of other operating information with respect to OCWD, is included in certain disclosure documents prepared by OCWD. OCWD periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. OCWD has also entered into

certain continuing disclosure agreements pursuant to which OCWD is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12. Such official statements, other disclosure documents, annual reports and notices (collectively, the “**OCWD Information**”) are filed with EMMA at <http://emma.msrb.org>. The OCWD Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. OCWD HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2011A BONDS TO PROVIDE OCWD INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2011A BONDS.

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*Sustainable Groundwater Management Act.* On September 16, 2014, the California Governor signed Assembly Bill No. 1739 and Senate Bill Nos. 1168 and 1319 (collectively, the Sustainable Groundwater Management Act, or “**SGMA**”) into law. SGMA constitutes a legislative effort to regulate groundwater on a statewide basis. Pursuant to SGMA, the California Department of Water Resources (“**DWR**”) has designated the Orange County groundwater basin as a medium priority basin for purposes of groundwater management. Compliance with SGMA can be achieved in one of two ways:

(1) By January 31, 2017, local groundwater producers had to establish or designate an entity (referred to as a groundwater sustainability agency, or “**GSA**”), subject to DWR’s approval, to manage each high and medium priority groundwater basin. Each GSA was tasked with submitting a groundwater sustainability plan for DWR’s approval by January 31, 2020.

(2) Alternatively, an existing groundwater management agency can submit a groundwater management plan under Part 2.75 of the California Water Code (an “**Alternative Plan**”) or an analysis for DWR’s review demonstrating that a groundwater basin has operated within its sustainable yield for at least 10 years. Such Alternative Plans were required to be submitted by January 31, 2017 and must be updated every five years thereafter. As discussed below, the District’s Alternative Plan update was submitted to DWR in December 2021.

If local groundwater producers do not create or nominate an entity to serve as a GSA, SGMA authorizes DWR to assume management of a groundwater basin until such time as a GSA can perform such functions.

GSA’s must consider the interests of all groundwater users in the basin and may require registration of groundwater users, the installation of flow meters to measure groundwater extractions and annual reporting of extractions. In addition, GSA’s are authorized to impose spacing requirements on new wells, monitor, regulate and limit or condition groundwater production and establish production allocations among groundwater producers, among other powers. GSA’s are authorized to impose fees to fund such activities and to fine or issue cease and desist orders against producers that violate the GSA’s regulations. A local agency that manages groundwater pursuant to its principal act (such as OCWD) may not exercise such authority in a manner that is inconsistent with any prohibitions or limitations in its principal act unless the governing board of such local agency makes a finding that such local agency is unable to sustainably manage the groundwater basin without the prohibited authority. Groundwater sustainability plans must include sustainability goals and a plan to implement such goals within 20 years.



SGMA specifically allows OCWD, which manages the Orange County groundwater basin, to develop an Alternative Plan under Part 2.75 of the California Water Code to manage those portions of the basin that are within OCWD's boundaries. See the caption "—Groundwater—General." In order for OCWD to submit an Alternative Plan, the entire groundwater basin (Basin 8-1, as mapped by DWR) must be included. OCWD's service area includes about 89% of the Orange County groundwater basin and is described in the Alternative Plan as the OCWD Management Area ("MA"). The remaining fringe areas, which include portions of multiple agencies, were aggregated into the La Habra/Brea MA, the Santa Ana River Canyon MA and the South East MA.

In November 2016, OCWD sent notices to water agencies within the La Habra/Brea, Santa Ana River Canyon and South East MAs requesting that such agencies participate in the development of an Alternative Plan for Basin 8-1. The District took the lead in developing the information required for the South East MA, with the OCWD MA and Santa Ana River Canyon MA portions prepared by OCWD and the La Habra/Brea MA portion prepared by the City of La Habra. Other agencies within the groundwater basin either participated in preparing and/or reviewed the Alternative Plan, which was submitted to DWR in January 2017. The sustainability goal for the OCWD MA is to continue to manage the groundwater basin to prevent conditions that would lead to significant and unreasonable: (1) lowering of groundwater levels; (2) reductions in storage; (3) water quality degradation; (4) seawater intrusion; and (5) inelastic land subsidence. The sustainability goal for the South East MA and Santa Ana Canyon MA is to recognize that these MAs are a small part of the larger groundwater basin managed by OCWD, the groundwater levels and water quality in which will be monitored to achieve the same goals as the OCWD MA. No additional groundwater management or monitoring by OCWD or the District is required by the Alternative Plan.

In 2021, the District along with the other agencies overseeing the other MAs within the groundwater basin, prepared information required for the 5-year Alternative Plan Update as required under SGMA. The 5-year update of the Basin 8-1 Alternative Plan was approved by the OCWD Board of Directors in December 2021, and the update was submitted to DWR in late December 2021. The District also prepares and submits an Annual Report to DWR for the South East MA.

The District's wells within OCWD's jurisdictional boundaries are presently metered and operated within the management guidelines established by OCWD. The District's wells in the South East MA, when operational, are metered and operated by the District. As of December 2023, the District's remaining wells within the South East MA are not operating.

The District does not currently expect its groundwater extraction rights or costs in the Orange County groundwater basin to change significantly as a result of the enactment of SGMA, nor does the District expect the enactment of SGMA to have a material adverse effect on the District's ability to pay principal of and interest on the Series 2011A Bonds from Net Revenues. The District notes that *ad valorem* property assessments constitute an additional source of moneys available to pay the interest on and principal of the Series 2011A Bonds. See the Remarketing Statement under the caption "SECURITY FOR THE SERIES 2011A BONDS."

**PFAS.** Per- and polyfluoroalkyl substances ("PFAS") are part of a family of synthetic fluorinated organic chemical compounds. PFAS are water- and lipid-resistant substances that are useful for a variety of manufacturing processes and industrial applications. They are often present in water supplies which receive wastewater treatment plant effluent that have connectivity to active or former military installations, especially airbases that use or have used aqueous film-forming foams for firefighting purposes.

PFAS is found in certain groundwater wells in the Orange County groundwater basin and in the District's service area. Some of the District's groundwater wells have detectable levels of PFAS; however, the District is not serving any water with detectable amounts of PFAS. As noted in greater detail below, the District is currently installing PFAS water treatment systems.

On March 14, 2023, Maximum Contaminant Levels of 4 PPT for PFOA and PFOS (which, as described further below, are PFAS compounds) and cumulative limits for certain other chemicals which are described below were proposed by the United States Environmental Protection Agency (the “EPA”). The EPA proposal is currently subject to public comment and there can be no assurance as to the timing or substance of any final EPA rule with respect to PFOA and PFOS.

In 2019, the State of California Water Resources Control Board’s (the “SWRCB”) Division of Drinking Water (the “Division”) adopted Notification Levels (the “NLs”) and Response Levels (“RLs”) for four PFAS compounds (as noted in the table below), measured in parts per trillion (“ppt”). NLs are non-regulatory, precautionary health-based measures for concentrations of chemicals in drinking water that warrant notification and further monitoring and assessment. RLs are non-regulatory, precautionary health-based measures that are set at higher levels than NLs and represent thresholds at which the Division recommends that water utilities remove a water source from use or treat it.

<i>PFAS Compound</i>	<i>Notification Level (ppt)</i>	<i>Response Level (ppt)</i>	<i>Date Adopted</i>
PFOA	5.1	10	8/2019 (NL) / 2/2020 (RL)
PFOS	6.5	40	8/2019 (NL) / 2/2020 (RL)
PFBS	500	5,000	3/2021
PFHxS	3	20	10/2022

The four PFAS compounds for which the SWRCB has adopted NLs and RLs are Perfluorooctanoic acid (PFOA), Perfluorooctanesulfonic acid (PFOS), perfluorobutane sulfonic acid (PFBS) and perfluorohexane sulfonic acid (PFHxS). The Division has tasked the California Office of Environmental Health Hazard Assessment with evaluating and recommending NLs for the following additional PFAS compounds: perfluorohexanoic acid (PFHxA), perfluoroheptanoic acid (PFHpA), perfluorononanoic acid (PFNA), perfluorodecanoic acid (PFDA) 4,8-dioxia-3H-perfluorononanoic acid (ADONA). There can be no assurance as to the timing of the release of such recommendations or as to the content thereof.

The District believes that PFAS have been in the Orange County groundwater basin in very low concentrations for many years. Recent technological advances enable the detection of PFAS compounds at extremely low concentrations, and PFAS has been detected in the District’s drinking water well OPA-1, with levels above NLs for PFOA and PFOS and above the RL for PFOA. PFAS have also been found in non-potable groundwater cleanup wells El Toro 1 (“ET-1”) and the SGU.

OCWD is undertaking a program to install wellhead treatment facilities at all drinking water wells under its jurisdiction for which PFAS levels exceed RLs. OCWD’s adopted policy is to pay for the PFAS wellhead treatment systems in full and to pay for up to 50% of the annual operation and maintenance costs of such facilities, while water retailers such as the District pay for the other 50%.

The District has entered into a contract with OCWD for the installation of a wellhead treatment facility for PFAS at the OPA-1 well. The project’s design has been completed and construction is underway with testing and startup expected to occur in or about February 2024. The District has not served water from the OPA-1 well since September 2018 and the District does not intend to serve water from the OPA-1 well until the PFAS treatment facility is operational.

The cost of designing and constructing PFAS treatment facilities for the ET-1 well and the SGU is being covered by a pollution insurance policy that is maintained under a 2001 settlement agreement with the United States Departments of Justice and the Navy for the Marine Corps Air Station at El Toro. See the subcaption “— Irvine Desalter Potable Water and El Toro Groundwater Remediation Projects” above. Design of PFAS treatment facilities for the ET-1 well and the SGU is complete and construction has commenced, with both facilities expected to be completed in 2024.

The District, together with OCWD and over a dozen other groundwater producers in the Orange County groundwater basin, initiated litigation against certain PFAS manufacturers and users, including 3M Company (f/k/a Minnesota Mining and Manufacturing, Co.) and E.I. DuPont De Nemours and Company (the “**PFAS Lawsuit**”), to recover the costs of designing, constructing and operating and maintaining treatment facilities to address PFAS contamination in the Orange County groundwater basin, and to recover other damages arising out of PFAS contamination in groundwater wells, including the additional costs of importing substitute water. The PFAS Lawsuit is being litigated in the United States District Court for the District of South Carolina, Charleston Division, in the Multi-District Litigation (MDL No. 2:18-mn-2873-RMG) titled *In Re: Aqueous Film-Forming Foams Products Liability Litigation*. The court has ordered a nationwide settlement for PFAS producers DuPont and 3M, who together represent approximately 70% of the PFAS market. The settlement is in the nature of a class action, and the potentially available funds available to pay the nationwide class of public water suppliers exceeds \$12 billion. Public water suppliers are automatically class members unless they opt out of the class by a given date. The District intends to remain in the class, and will likely recover some funds from the settlement, although the amount of settlement proceeds is not expected to recover all of the District’s costs of wellhead treatment capital or operating expenses. Settlement proceeds will be shared with OCWD pursuant to the contract described above related to PFAS treatment installation and costs. The District also intends to remain in the PFAS Lawsuit against the remaining defendants..

The District’s goal is to ensure that all drinking water served to customers does not contain PFAS in amounts which are above the SWRCB-designated NLs. The District has significant water supplies which are not impacted by the presence of PFAS.

The District does not anticipate that implementation of regulations related to PFAS will have a material adverse effect on the operation of the Water System or on the operating costs thereof. The projected operating results which are set forth under the caption “WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results” do not assume significant increases in water treatment or Water System operating costs to meet current State regulations relating to PFAS.

## **Water Use Efficiency**

**State and Federal Orders.** Following the 2012-17 statewide drought, legislation known as “Making Conservation a California Way of Life” was enacted in 2018 to strengthen local water supplier water management and water shortage planning efforts. Assembly Bill 1668 and Senate Bill 606 require urban water suppliers to include additional drought planning and projected water shortage information in their Urban Water Management Plans and water shortage contingency plans, which are updated and submitted to DWR every 5 years. The bills empower the SWRCB to adopt long-term standards for the following: (i) indoor residential water use; (ii) outdoor residential water use; (iii) commercial, industrial and institutional water use for landscape irrigation; and (iv) water loss. The California legislature established new indoor water use standards in September 2022. The indoor standards have been defined as 55 gallons per person per day (“**GPCD**”) until January 2025, decreasing to 47 GPCD until January 2030 and decreasing further to a final indoor standard of 42 GPCD in January 2030. Standards for outdoor residential water use and commercial, industrial and institutional water use for landscape irrigation are in development and are expected to be adopted by August 2024.

On October 19, 2021, the California Governor declared a statewide drought state of emergency and requested that all water users voluntarily reduce water use by 15%. The declaration encouraged water agencies to draw upon supplies other than groundwater and to implement their water shortage contingency plans at a level that was appropriate to local conditions. The State experienced significant precipitation in the winter and early spring of 2023 and, on March 24, 2023, the statewide drought state of emergency was terminated. While there can be no assurance that subsequent declarations will not impose mandatory water use restrictions should dry conditions persist in 2023 or future years, the State’s approach is consistent with the “Conservation as a Way of Life” legislation that is described in the preceding paragraph. The approach relies on local planning and recognizes that the impacts of the drought and levels of projected water shortages vary throughout the State and among water suppliers.

In August 2021, the federal government declared a Tier 1 water shortage at Lake Mead, which is a major storage reservoir on the Colorado River. As discussed under the caption “—Imported Water,” Colorado River supplies are among the water sources for MWD, which provides water to the District’s major imported supplier, MWDOC. The water shortage declaration triggered mandatory cuts in water allocations for water users in Arizona and Nevada, although not for MWD or other users in California. Notwithstanding the foregoing, in December 2021, water users in California (including MWD), Arizona and Nevada agreed to voluntary cuts of 500,000 acre feet of water from the Colorado River in both 2022 and 2023, and MWD agreed to pay up to \$20 million to agricultural rightsholders that leave their land fallow. See the caption “—Water Supply Reliability—Other Water Supply Reliability Programs—Palo Verde Irrigation District Land Purchases” for a discussion of District land holdings in areas that are expected to benefit from such payments by MWD.

In August 2022, the federal government declared the Colorado River’s first ever Tier 2 water shortage. Additional cuts were imposed on Arizona, Nevada and Mexico, and all seven Colorado River states must develop a joint plan to reduce water use by a further 15%-30%. In April 2023, the United States Department of the Interior released a draft environmental impact statement (the “EIS”) which proposes three alternatives for reducing Colorado River allocations in the American Southwest, including one alternative that could reduce California’s allocation by up to one-fourth. In August 2023, the federal government announced that, as a result of above average precipitation, the Colorado River would operate at a Tier 1 shortage in 2024. In October 2023, the federal government released a revised supplemental EIS as part of a collaborative effort to develop short-term guidelines for Colorado River operations through 2026 that would commit to conserving at least 3 million acre feet of water in the river. The federal government expects to release a final EIS in late 2025 that will analyze post-2026 operational guidelines and strategies. There can be no assurance as to the content or timing of the final version of the April 2023 EIS, nor can there be any assurance that subsequent declarations with respect to the Colorado River will not require mandatory water cuts to MWD should dry conditions persist in 2024 or future years.

The District has a long history of implementing cost-effective water efficiency programs and believes that it is well prepared to meet future water efficiency objectives. The District’s customers have one of the lowest residential GPCD water usage rates in the State, and a portion of the Net Revenues consist of fixed charges that are payable regardless of the volume of water used. See the caption “THE WATER SYSTEM—Water System Rates and Charges.” For these reasons, the District does not believe that the above-described declarations or compliance with the above-described water efficiency objectives will affect the District’s ability to pay principal of and interest on the Series 2011A Bonds from Net Revenues. The District notes that the Series 2011A Bonds are also secured by a pledge of Assessment Proceeds. See the Remarketing Statement under the caption “SECURITY FOR THE SERIES 2011A BONDS.”

***District Response to Shortage.*** Under the District’s water shortage contingency plan (the “WSCP”), the District responds to a water shortage in stages based upon six levels of supply cutbacks: Level One (supply reductions of up to 10%), Level Two (supply reductions of up to 20%), Level Three (supply reductions of up to 30%), Level Four (supply reductions of up to 40%), Level Five (supply reductions of up to 50%) and Level Six (supply reductions exceeding 50%). Each shortage level triggers strategic responses that are intended to reduce water use and/or augment supplies during a declared water shortage. At each level of shortage, the WSCP includes a list of voluntary measures, non-rate response measures and potential cost-of-service based rate response strategies. The District can also use its banked groundwater to augment supplies during times of shortage. See the caption “—Water Supply Reliability—Water Banking.”

The District’s water budget-based rate structure is a cost-of-service based rate structure that provides revenue stability in both non-shortage and water shortage periods. Additionally, it allocates water (and the costs associated with its use) based on the monthly water budget assigned to each customer providing the lowest cost of water for efficient use and higher cost water for uses beyond efficient use. The monthly water budget assigned to each customer provides them with a sufficient amount of water within their budget to cover reasonable and efficient water use. See the caption “THE WATER SYSTEM—Water System Rates and Charges.”

If the District experiences a water shortage, it may have lesser or higher water costs than during other periods. The WSCP outlines the strategies that the District can use to reduce water demand to respond to such conditions. Adjustments to customer water budgets are a key response measure in the WSCP that are implemented by equitably reducing water budget allocations based on what is reasonable and efficient water use under the water shortage circumstances applicable to each level. If this strategy or tool is used, any changes in rates would be set using cost-of-service principles and would not exceed the District’s cost of providing water service to each customer.

On June 26, 2023, the Board adopted updated water shortage rates, which constitute another available tool to reduce demand by increasing water rates in the event of a shortage. Actual implementation of water shortage rates from time to time will be at the discretion of the District. Notwithstanding the State and federal orders which are described under the subcaption “—State and Federal Orders,” the District is not currently experiencing a water shortage and is not projecting a future shortage even if dry hydrological conditions continue for the next several years.

While continued implementation of the WSCP may result in slightly lower water sales revenues, it is also likely to result in lower operating costs, in particular water purchase costs and energy costs for water deliveries. As discussed under the caption “THE WATER SYSTEM—Water System Rates and Charges,” the District’s rate structure consists of variable and fixed rate components. Decreased water consumption is largely offset by a decrease in related variable costs, while fixed water charges largely cover the District’s fixed operating and maintenance costs. The projected operating results set forth under the caption “WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results” reflect the implementation of Level One of the WSCP in the current and next four Fiscal Years but do not reflect the implementation of water shortage rates as described above.

If a statewide water shortage should persist, legal issues exist as to whether different California Water Code provisions should be invoked to require reasonable regulations for the allocation of water in times of shortage. Any curtailment pursuant to State orders that is accompanied by an increase in MWD water charges to its member agencies could necessitate an increase in the District’s water rates to District customers. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218” for a discussion of certain restrictions on the District’s ability to raise water rates.

## **Water Supply Reliability**

**Water Banking.** In addition to developing its local groundwater and recycled water systems, the District has further diversified its water supply reliability by developing water banking facilities in Kern County, California. These projects are known as the Strand Ranch Integrated Banking Project and the Stockdale Integrated Banking Project (collectively, the “**Water Bank**”). The District’s Water Bank is situated on groundwater recharge lands that overlie the regional Kern County groundwater basin. The purpose of the Water Bank is to improve the District’s water supply reliability by capturing and storing low cost water available during wet hydrologic periods for use during dry periods, with the target of providing enough water to meet approximately 15% of customers’ needs for three years. The Water Bank will enhance the District’s ability to respond to drought conditions and potential water supply interruptions and enable it to reduce the cost of water delivered under such conditions.

The District has entered into agreements for a 30-year water banking partnership with the Rosedale-Rio Bravo Water Storage District (“**Rosedale**”) in Kern County. These agreements provide for Rosedale to operate the Water Bank on behalf of the District and permit the District: (i) to store up to 126,000 acre feet of water in the aquifer; (ii) to recharge up to 44,600 acre feet of water per year in the aquifer; and (iii) to recover up to 28,750 acre feet of water per year from the aquifer.

The District has constructed 740 acres of recharge ponds and other facilities at the Water Bank that are necessary to divert water from an adjacent canal and into the ponds. Seven groundwater wells that provide the

ability to recover water have been constructed on the Strand Ranch property and three additional recovery wells have been constructed and equipped on the Stockdale West property. The District, in partnership with Rosedale and other agencies, has also constructed six additional wells that will increase the ability to recover water from the Water Bank during peak summer demand periods. These wells were equipped and completed in 2018.

Groundwater extractions from certain Water Bank wells have been found to contain a synthetic chemical known as 1,2,3-trichloropropane (“TCP”), which was formerly used in the manufacture of soil fumigants and other industrial products, in concentrations that exceed the Maximum Contaminant Level established by the SWRCB. As a result, such groundwater is required to be blended with other sources or treated to remove TCP before it can be delivered via State or federal water conveyance infrastructure or, ultimately, served to retail users.

In January 2022, the District and Rosedale filed a complaint in the Superior Court of California, County of Kern, against several manufacturers of TCP. The complaint asserts strict liability, nuisance, trespass and negligence claims in connection with the infiltration of TCP into the Water Bank and seeks to recover costs associated with the construction of treatment facilities to remediate the contaminated water. There can be no assurance as to the outcome of the District’s claims and the projected operating results which are set forth herein do not assume the award of any damages to the District or Rosedale in connection with the complaint.

The District has secured water from a number of sources for recharge at the Water Bank. These sources are available as described below.

- Pursuant to the District’s agreement with Rosedale, Rosedale has first priority rights to use District facilities to divert and recharge a portion of its entitlement to floodwater flows on the Kern River to District-owned storage ponds for recovery in dry years. The District is entitled, at no cost, to 20% and 50% of all Kern River floodwaters recharged on the Strand Ranch and Stockdale West recharge ponds, respectively.
- The District has also secured access to State Water Project water which can be stored in the Water Bank. Such water is available as a result of the District’s acquisition of approximately 883 acres located within the Dudley Ridge Water District (“**Dudley Ridge**”), including the rights to use up to 1,749 acre feet per year of Table A State Water Project water allocated to Dudley Ridge. Under an existing agreement, Dudley Ridge can store its Table A water in the Water Bank, with half of the water being available for future use in the District’s service area. The acquisition also included certain participation rights in the Kern Water Bank that allow the District to store approximately 9,495 acre feet of water.
- In 2011, the District entered into a long-term exchange program (the “**Exchange Program**”) with Buena Vista Water Storage District (“**BVWSD**”) that allows BVWSD to store water in the Water Bank in exchange for allocating 50% of the stored water to the District. BVWSD is responsible for all costs of delivering water to the Water Bank and the District is responsible for all costs of returning BVWSD its share of the water. The District is entitled to keep an additional 10% of the stored water each calendar year after the fourth calendar year that BVWSD does not call on the return of its share of the water. The District is entitled to 100% of the water if BVWSD does not call for the return of its share of the water by the end of the ninth year.
- In recent years, the District also entered into separate Pilot Exchange Agreements with the Central Coast Water Authority and the Antelope Valley-East Kern Water Agency that provided for such agencies to store portions of their 2012 allocation of State Water Project water at the Water Bank. In 2017, 2019 and 2023, the District executed short-term agreements with the Central Coast Water Authority which provided for the delivery and storage of 3,772 acre feet on an unbalanced exchange basis under which the District is allocated 50% of such stored water. In 2019, the District and Antelope Valley-East Kern Water Agency entered into a long-term water exchange program for the delivery and storage of 20,000

acre feet on an unbalanced exchange basis under which the District is allocated 50% of such stored water. An estimated 7,000 acre feet was recharged in 2023 under this program.

- The District recently agreed to terms with a private landowner, Silvertip LLC, with respect to a short-term exchange program for delivery and storage of up to 8,000 acre feet of water on an unbalanced exchange basis under which the District is allocated 50% of such stored water.

The District continually explores other short- and long-term partnerships with other agencies and private landowners to facilitate transactions similar to those which are described above.

The District has entered into a Coordinated Operating, Water Storage, Exchange and Delivery Agreement with MWD that allows the District to have State Water Project water which has been recovered from the Water Bank delivered to the District’s service area. In 2014, the District entered into an additional agreement with MWD that allowed MWD to receive 4,000 acre feet of the District’s non-State Water Project water recovered from the Water Bank in exchange for a future return to the Water Bank. Under such additional agreement with MWD, the District recovered and delivered approximately 1,000 acre feet from the Water Bank for use in the District’s service area in 2015. In addition, in 2022, the District delivered 3,927 acre feet of water to MWD from the Water Bank in exchange for a credit of 7,927 acre feet of water in MWD’s southern California storage facilities, which includes a credit for the 4,000 acre feet delivered in 2014.

Since 2010, the District has delivered a total of approximately 115,900 acre feet of water to the Water Bank through the water supply partnerships that are described above. The District currently holds approximately 43,000 acre feet of water in storage (after applicable losses) for its future use during droughts and major supply interruptions.

A summary of water held in storage pursuant to the District’s water banking program as of December 31, 2023 (after water losses) is set forth below.

**TABLE 10**  
**IRVINE RANCH WATER DISTRICT**  
**Summary of Water Banking Programs’ Storage After Losses**  
**As of December 31, 2023 (Acre Feet)**

<i>Facility</i>	<i>Total Capacity</i>	<i>Total Water in Storage</i>	<i>District Share of Total Water in Storage</i>
Strand Ranch Integrated Banking <sup>(1)</sup>	50,000	42,207	33,101
Stockdale West <sup>(1)</sup>	26,000	11,408	6,383
Kern Water Bank <sup>(2)</sup>	<u>9,495</u>	<u>3,697</u>	<u>3,697</u>
<b>Total</b>	<b>85,495</b>	<b>57,312</b>	<b>43,181</b>

<sup>(1)</sup> The District has executed exchanges with MWD that have diversified the ability to call on the District’s share of the banked water from the Water Bank and MWD supplies. The above numbers take into consideration Water Bank losses as well as small purchases of water made by the District when land was taken out of agricultural production. Extractions from Strand Ranch are currently limited to approximately 17,500 acre feet per year. The completion of the Stockdale West property recovery facilities enables the District to recover approximately 11,250 acre feet per year of additional water from the Water Bank.

<sup>(2)</sup> The District’s share of total water stored in the Kern Water Bank is to be used on the District’s Dudley Ridge property.  
Source: The District.

***Other Water Supply Reliability Programs.***

*Palo Verde Irrigation District Land Purchases.* As of December 31, 2023, the District has purchased a total of approximately 3,100 acres of irrigated agricultural land (the “PVID Properties”) in Riverside County, California. The PVID Properties are located within the water service area of Palo Verde

Irrigation District (“**PVID**”), which has first priority rights on the Colorado River. Of the total acres purchased, approximately 2,835 acres of the land are subject to and enrolled in an MWD/PVID fallowing program under which MWD makes payments to landowners in exchange for letting land lie fallow. See the caption “—Water Use Efficiency—State and Federal Orders” for a discussion of MWD’s agreement to pay up to \$20 million to agricultural rightsholders (such as the District) in 2022 and 2023 under such a fallowing program. Water that is conserved through fallowing is available for use within MWD’s service area (which includes the District’s service area). The non-fallowed land is currently being farmed either through leases with tenant farmers or through agricultural management agreements with contract farmers. The District plans to work with MWD and MWDOC in the future to develop mutually beneficial arrangements through which the District would receive increased water supply reliability during periods of drought or supply interruptions in consideration for the water conserved on the PVID Properties.

Due to the preliminary nature of its discussions with MWD and MWDOC, the District can make no assurance as to the amount of water, if any, it would receive from MWD through conservation of water on the PVID Properties. Should the expected water supply reliability benefits of the land not be realized, the District’s investment in the PVID Properties could be recovered in whole or in part through the sale of the land.

*Kern Fan Project.* The Kern Fan Groundwater Storage Project (the “**Kern Fan Project**”) will develop a regional water bank in the Kern Fan area of Kern County to capture, recharge and store Article 21 water from the State Water Project and other water supplies during wet hydrologic periods. The project is a joint venture between the District and Rosedale. In April 2020, Rosedale and the District executed a joint exercise of powers agreement (the “**Agreement**”) creating the Groundwater Banking Joint Powers Authority (the “**Authority**”) to plan, design, construct, operate and implement the Kern Fan Project. The Agreement took effect July 1, 2020. The stored water would be extracted when needed to provide ecosystem, emergency supply and water supply benefits. The District’s share of the Kern Fan Project would be used in conjunction with the Water Bank (as discussed under the subcaption “—Water Banking” above) to meet the District’s contingency storage needs at build-out. The District’s goal for contingency storage is to secure supplies that are adequate to backfill the loss of imported supplies for three consecutive years. The District believes that, upon completion, the Kern Fan Project, together with the Water Bank, will allow the District to meet this goal. In 2022, as part of the Kern Fan Project, the Authority purchased two properties totaling 348 acres at a cost of \$5,000,000, half of which was contributed by the District.

In August 2017, the District and Rosedale jointly submitted a grant application to the California Water Commission (the “**CWC**”) for the proposed Kern Fan Project. The application sought Proposition 1 funds available from the CWC through the Water Storage Investment Program (the “**WSIP**”). In July 2018, the CWC conditionally awarded \$67.5 million to the Kern Fan Project. Additional WSIP funding became available in late 2020, which resulted in the CWC increasing the conditional funding award for the Kern Fan Project in January 2021 to \$87.8 million. In March 2022, the CWC added a 1.5% inflation adjustment to the funding award, increasing it to \$89.1 million.

To date, the Authority has certified a final environmental impact report for the Kern Fan Project, completed state and federal feasibility studies and initiated the project design. In October 2023, the Authority executed an agreement with the United States Bureau of Reclamation under which the District will receive a grant in the amount of \$4,667,929 to fund Phase 1 of the Kern Fan Project. The Authority expects to begin construction of Phase 1 in January 2024.

The District is currently pursuing additional funding opportunities. See the caption “**FUTURE CAPITAL IMPROVEMENTS—Water Supply Reliability.**”

## **Recycled Water**

During Fiscal Year 2023, the District produced 23,996 acre feet of recycled water and supplied an additional 2,545 acre feet of non-potable water to District customers via the recycled water system. The District



processes and treats secondary effluent from its customers to produce recycled water for sale to customers for non-potable utilization. Recycled water is currently sold to approximately 6,350 customers within the District. As of December 31, 2023, the District had approximately 580 miles of recycled water mains and recycled water storage capacity of approximately 4,500 acre feet. Revenues from the sale of recycled water are accounted for as part of the District’s sewer system.

**Historic and Projected Water Supply**

Set forth below is a summary of the District’s sources of total water supply in acre feet per year for the last five Fiscal Years.

**TABLE 11  
IRVINE RANCH WATER DISTRICT  
Historic Water Supply In Acre Feet Per Year<sup>(1)</sup>**

<i>Fiscal Year</i>	<i>Groundwater<sup>(2)</sup></i>	<i>Runoff Capture (Irvine Lake)</i>	<i>Imported Water</i>	<i>Recycled Water</i>	<i>Total</i>
2019	47,258	4,151	13,937	22,381	87,727
2020	47,810	6,524	13,002	24,627	91,963
2021	47,170	4,508	17,132	26,413	95,223
2022	44,525	75 <sup>(3)</sup>	24,654	26,444	95,698
2023 <sup>(4)</sup>	43,490	1,044	18,258	23,996	86,788

- <sup>(1)</sup> Differences between the amounts that are shown in the table and the water sales figures that are set forth under the caption “THE WATER SYSTEM—Historic Water Deliveries/Sales” reflect water losses and the timing of billing.
  - <sup>(2)</sup> Excludes water pumped from the SGU, which is disposed of via an existing ocean outfall following treatment.
  - <sup>(3)</sup> Decrease from prior Fiscal Years reflects low precipitation levels in Fiscal Year 2022.
  - <sup>(4)</sup> Decrease from prior Fiscal Years reflects reduced sales as a result of increased conservation and high precipitation levels.
- Source: The District.

Set forth below is a summary of the District’s projection of total water production to meet expected water demand (as discussed under the caption “THE WATER SYSTEM—Projected Water Deliveries”) for the current and next four Fiscal Years. The below table reflects projected water production from groundwater extractions, water purchases and recycled water production and does *not* reflect all available water supplies of the District.

**TABLE 12  
IRVINE RANCH WATER DISTRICT  
Projected Water Supply In Acre Feet Per Year**

<i>Fiscal Year</i>	<i>Groundwater<sup>(1)</sup></i>	<i>Runoff Capture (Irvine Lake)</i>	<i>Imported Water</i>	<i>Recycled Water<sup>(2)</sup></i>	<i>Total</i>	<i>Percentage Change</i>
2024	48,065	3,000	16,417	25,640	93,122	7.30%
2025	50,165	3,000	15,362	25,640	94,167	1.12
2026	50,667	3,000	15,516	25,896	95,079	0.97
2027	51,174	3,000	15,671	26,155	96,000	0.97
2028	51,686	3,000	15,828	26,417	96,931	0.97

- <sup>(1)</sup> Excludes water pumped from the SGU, which is disposed of via an existing ocean outfall following treatment.
  - <sup>(2)</sup> Recycled water production projected to increase approximately 1% per annum beginning in Fiscal Year 2024 due to the elimination of the 70% cap on the BPP for the District. See the caption “—Groundwater—General.”
- Source: The District.

Set forth below is a comparison of the District’s sources of supply for Fiscal Year 2023 as compared to other neighboring agencies supplying water.

**TABLE 13**  
**IRVINE RANCH WATER DISTRICT**  
**Water Supply Comparison by Source**

	<i>Imported Water</i>	<i>Groundwater</i>	<i>Runoff Capture (Irvine Lake)</i>	<i>Recycled Water</i>
<b>Irvine Ranch Water District<sup>(1)</sup></b>	<b>21%</b>	<b>50%</b>	<b>1%</b>	<b>28%</b>
City of Anaheim	33	66	-	1
South Coast Water District <sup>(2)</sup>	73	13	-	14
Moulton Niguel Water District <sup>(2)</sup>	75	-	-	25
Mesa Water District	-	94	-	_6

<sup>(1)</sup> Approximately 20% of the District’s water demand is from areas outside of OCWD’s jurisdictional boundaries.

<sup>(2)</sup> This agency is not located within OCWD’s jurisdictional boundaries.

Source: The District.

## THE WATER SYSTEM

### General

Through the issuance of general obligation bonds and other indebtedness, the District has constructed, purchased or acquired capacity in, or connections to, various transmission, pumping, storage and distribution facilities to convey water into the District, including several major facilities built in cooperation with other water districts and cities.

The development of water supplies and the construction and acquisition of facilities are being carried out under a master plan formulated by the District in 1972 and most recently updated in 2009. Existing uses and planned development within the District will necessitate a projected combined total annual water supply of approximately 110,000 acre feet by 2035.

The District anticipates meeting all of its water supply needs using the above-mentioned water importation and storage facilities, groundwater production facilities and recycled water facilities. The combination of the District’s facilities and sources of supply is expected to provide the District with a reliable water supply sufficient to permit the ultimate development as presently planned. Reliability of water supply is further enhanced by the District’s local storage facilities, which currently provide more than a seven-day supply.

As of June 30, 2023, the District had approximately 2,597 miles of water mains in its potable and recycled water systems and storage capacity of over 24,000 acre feet, including the District’s share of Irvine Lake, a 25,000 acre feet untreated water reservoir, and the District’s Sand Canyon, Rattlesnake, Syphon and San Joaquin Reservoirs, which are recycled water reservoirs with capacities of 800 acre feet, 1,100 acre feet, 450 acre feet and 2,900 acre feet respectively. See the caption “WATER SUPPLY.”

In 2013, the District completed a study of the feasibility of increasing storage capacity in Syphon Reservoir from 450 acre feet up to approximately 5,000 acre feet. Additional storage capacity, if constructed, would allow the District to recycle 100% of the sewage flows tributary to the District’s Michelson Water Reclamation Plant (the “MWRP”) and reduce the District’s need to supplement the recycled water system with imported water in dry years. The District is currently performing geotechnical evaluations of the site and evaluating funding alternatives for the Syphon Reservoir expansion. The final environmental impact report for the expansion was adopted by the Board of Directors on July 26, 2021. Design is expected to be completed by

the end of 2024 and construction is anticipated to be start in early 2025. See the caption “FUTURE CAPITAL IMPROVEMENTS—Water Supply Reliability.”

See the caption “WATER SUPPLY—Water Supply Reliability—Water Banking” for information with respect to the District’s water banking programs, which constitute additional sources of water that are not reflected in the discussion of the District’s storage facilities above.

Currently, the District purchases treated water from MWD for delivery to residential and commercial customers, as well as small amounts of untreated water for delivery to non-domestic customers. Groundwater that is produced from District wells is generally of high quality and is subject to minimal treatment to meet drinking water standards.

The Baker WTP, a water treatment plant which commenced operations in January 2017, treats to drinking water standards approximately 28 million gallons per day (“**mgd**”) of untreated imported water purchased from MWD. During emergencies and planned imported water outages, water from Irvine Lake is expected to be supplied to the Baker WTP for treatment to drinking water standards. The Baker WTP utilizes microfiltration and ultraviolet disinfection as the primary treatment processes. Although the plant is owned and operated by the District, approximately 76% of capacity in the Baker WTP is held by other participating water agencies located in southern Orange County. The facility provides an operational source of supply to the District and participating agencies and, in the event of a short-term water shortage emergency, provides regional water reliability to other neighboring water agencies. The project cost was approximately \$106 million, which was funded by the District and the other participating water agencies in proportion to their participation in the project. The District financed a portion of its 24% share of the costs from the proceeds of the Series 2016 Bonds that are described under the caption “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness.”

Raw water, which is treated at the Baker WTP, is available at a lower rate than treated water.

**Historic Water Connections**

The following table shows the number of water connections in the District for the five most recent Fiscal Years.

**TABLE 14**  
**IRVINE RANCH WATER DISTRICT**  
**Historic Water Connections<sup>(1)</sup>**

<i>Fiscal Year</i>	<i>Connections</i>	<i>Percentage Change</i>
2019	116,539	N/A%
2020	118,263	1.48
2021	120,437	1.84
2022	122,401	1.63
2023	123,737	1.09

<sup>(1)</sup> Excludes recycled water connections.  
Source: The District.

## Projected Water Connections

The following table shows the number of water connections projected by the District for the current and next four Fiscal Years.

**TABLE 15**  
**IRVINE RANCH WATER DISTRICT**  
**Projected Water Connections<sup>(1)</sup>**

<i>Fiscal Year</i>	<i>Connections</i>	<i>Percentage Change</i>
2024	125,518	1.44%
2025	127,327	1.44
2026	129,162	1.44
2027	130,404	0.96
2028	131,658	0.96

<sup>(1)</sup> Excludes recycled water connections. Increases in connections reflect District estimates of increased development activity.  
Source: The District.

## Connection Fees

The District collects a water connection fee for each new connection to finance District facilities. Connection fees vary by Improvement District and range from \$1,292 to \$5,430 for each residential unit and \$8,635 to \$45,889 for each acre of commercial or industrial property. The connection fee is designed to recover the cost of each additional connection and allocate among all Improvement Districts the costs of master planned facilities such as water sources and production facilities, transmission mains, pumping stations, reservoirs and appurtenances and capacity necessary for each Improvement District.

## Historic Water Deliveries/Sales

The following table presents a summary of historic water deliveries by the District in acre feet per year for the five most recent Fiscal Years. Historic water deliveries vary from historic water supply as a result of losses in the water system and the timing of billing. Revenues from the sale of recycled water are accounted for as part of the District’s sewer system.

**TABLE 16**  
**IRVINE RANCH WATER DISTRICT**  
**Historic Water Deliveries/Sales in Acre Feet Per Year<sup>(1)</sup>**

<i>Fiscal Year</i>	<i>Potable and Non-Potable System</i>	<i>Recycled System<sup>(2)</sup></i>	<i>Total</i>	<i>Percentage Change</i>
2019	51,651	27,689	79,340	N/A%
2020	51,761	31,119	82,880	4.46
2021	54,506	32,595	87,101	5.09
2022 <sup>(3)</sup>	53,378	32,402	85,780	(1.52)
2023 <sup>(4)</sup>	49,503	26,541	76,044	(11.35)

<sup>(1)</sup> Differences between the amounts that are shown in the table and the water production figures that are set forth under the caption “WATER SUPPLY—Historic and Projected Water Supply” reflect water losses and the timing of billing.

<sup>(2)</sup> Recycled water sales in excess of the historic recycled water production amounts set forth in Table 11 under the caption “WATER SUPPLY—Historic and Projected Water Supply” reflect supplemental water supplied in excess of recycled water produced by the District.

<sup>(3)</sup> Reduced deliveries reflect conservation by District customers. See the caption “WATER SUPPLY—Water Use Efficiency—District Response to Shortage.” Although recycled water use is not subject to water use restrictions, the decrease in recycled water sales in Fiscal Year 2022 was part of the broader conservation efforts of District customers in response to drought conditions.

<sup>(4)</sup> Reduced deliveries reflect high levels of precipitation in Fiscal Year 2023.

Source: The District.

## Projected Water Deliveries/Sales

The District estimates that water system deliveries for the current and next four Fiscal Years will be as set forth in the following table. The District currently projects that water deliveries will increase at a slower pace than the increase in connections after the current Fiscal Year, as set forth in the table under the caption “—Projected Water Connections,” as a result of increased conservation efforts and a return to long-term historical average hydrological conditions in the State. The District notes that recycled water use is not subject to the mandatory conservation orders imposed by the State in connection with the recent statewide drought. See the caption “WATER SUPPLY—Water Use Efficiency.” Revenues from the sale of recycled water are accounted for as part of the District’s sewer system.

**TABLE 17**  
**IRVINE RANCH WATER DISTRICT**  
**Projected Water Deliveries/Sales in Acre Feet Per Year**

<i>Fiscal Year</i>	<i>Potable and Non-Potable System</i>	<i>Recycled System<sup>(1)</sup></i>	<i>Total</i>	<i>Percentage Change</i>
2024	53,582	32,943	86,525	13.78%
2025	54,654	33,587	88,241	1.98
2026	54,763	32,709	87,472	(0.88)
2027	54,873	32,967	87,840	0.42
2028	54,983	33,225	88,208	0.42

<sup>(1)</sup> Projected recycled water sales in excess of the projected recycled water production amounts set forth in Table 12 under the caption "WATER SUPPLY—Historic and Projected Water Supply" reflect supplemental water projected to be supplied in excess of recycled water produced by the District.

Source: The District.

**Historic Water Sales and Service Charge Revenues**

The following table shows annual water sales and service charge revenues for the five most recent Fiscal Years. The following table does not include revenues from the sale of recycled water, which is accounted for as part of the District's sewer system.

**TABLE 18**  
**IRVINE RANCH WATER DISTRICT**  
**Historic Water Sales and Service Charge Revenues**  
**(In Thousands)**

<i>Fiscal Year</i>	<i>Sales and Service Charge Revenues<sup>(1)</sup></i>	<i>Percentage Change</i>
2019	\$ 94,107	N/A%
2020 <sup>(2)</sup>	90,213	(4.14)
2021	96,609	7.09
2022	103,286	6.91
2023	103,623	0.33

<sup>(1)</sup> Includes late payment charges and other penalty revenues.

<sup>(2)</sup> Decrease in Fiscal Year 2020 reflects one-time cumulative adjustment in water banking storage revenue of \$5.4 million in Fiscal Year 2019 under which a valuation was assigned to water stored over multiple years.

Source: The District.

**Projected Water Sales and Service Charge Revenues**

The following table projects annual water sales and service charge revenues for the current and next four Fiscal Years.

**TABLE 19**  
**IRVINE RANCH WATER DISTRICT**  
**Projected Water Sales and Service Charge Revenues**  
**(In Thousands)**

<i>Fiscal Year</i>	<i>Sales and Service Charge Revenues<sup>(1)</sup></i>	<i>Percentage Change</i>
2024	\$123,096	18.79%
2025	132,987	8.04
2026	139,636	5.00
2027	146,618	5.00
2028	153,949	5.00

<sup>(1)</sup> Reflects projected changes in water connections and deliveries described under the captions “—Projected Water Connections” and “—Projected Water Deliveries/Sales,” respectively, as well as projected increases in rates described under the caption “—Water System Rates and Charges.” Such rate increases are subject to the notice, hearing and protest provisions of Proposition 218 and there can be no assurance that the Board of Directors will adopt such rate increases as currently projected. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218.”

Source: The District.

**Largest Water Customers**

The following table sets forth the ten largest water customers of the District for Fiscal Year 2023, as determined by annual payments.

**TABLE 20**  
**IRVINE RANCH WATER DISTRICT**  
**Ten Largest Water Customers**  
**Fiscal Year 2023**

<i>Customer</i>	<i>Fiscal Year 2023 Payment</i>	<i>Percentage of Total Water Sales Revenues</i>
1. The Irvine Company	\$ 9,463,558	9.12%
2. University of California, Irvine	1,675,663	1.62
3. Jazz Semiconductor	1,600,481	1.54
4. B Braun Medical, Inc.	1,457,806	1.41
5. Woodbridge Village Association	625,392	0.60
6. City of Irvine	517,196	0.50
7. Allergan Sales, LLC	359,714	0.35
8. Irvine Unified School District	332,588	0.32
9. City of Lake Forest	305,835	0.30
10. Maruchan, Inc.	<u>302,759</u>	<u>0.29</u>
TOTAL	<u>\$16,640,992</u>	<u>16.05%</u>

Source: The District.

These ten largest customers accounted for approximately 16.05% of water sales revenues in Fiscal Year 2023.

## Water System Rates and Charges

Water system rates and charges (other than connection fees) are generally uniform throughout the District. Pumping surcharges apply in higher elevations. Effective July 1, 2023, the typical monthly service charge for residential water meters is \$11.85, rising to \$13.20 on July 1, 2024. The monthly service charges for commercial and industrial water meters range from \$11.85 to \$4,147.50, rising to \$13.20 to \$4,620.00 on July 1, 2024, based on meter size. Quantity charges are set according to a water conservation oriented allocation-based ascending block rate structure with rates ranging from \$1.75 to \$15.49 per 100 cubic feet (“ccf”), as shown in the below table.

For the ten Fiscal Years prior to Fiscal Year 2023, the District had increased its water system rates and charges by an average of approximately 5% each year for an average residential customer using approximately 12 ccf of water per month.

### IRVINE RANCH WATER DISTRICT Residential Water Rates<sup>(1)</sup>

<i>Tier</i>	<i>Allocation</i>	<i>Rate per ccf (effective July 1, 2023)</i>	<i>Rate per ccf (effective July 1, 2024)</i>
Low Volume	0-40%	\$ 1.75	\$ 1.99
Base <sup>(2)</sup>	41-100	2.52	2.65
Inefficient	101-140	6.25	6.55
Wasteful	141+	15.49	16.46

<sup>(1)</sup> Rates are effective as of July 1, 2023.

<sup>(2)</sup> The “base” rate reflects an average cost of water from all sources that are used by the District.

Source: The District.

See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218—Article XIIIID” for a discussion of a 2015 California Court of Appeal decision with respect to allocation-based rates similar to those of the District. Rates are based on a cost of service study.

The projected water system revenues set forth under the captions “—Projected Water Sales and Service Charge Revenues” and “WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage” reflect the projected water deliveries that are described under the caption “—Projected Water Deliveries/Sales,” water rate increases effective on July 1, 2023 and July 1, 2024 as well as projected water rate increases of 3.5% per annum thereafter which have not yet been adopted. Water rate increases in Fiscal Years 2026 through 2028 are subject to the notice, hearing and protest provisions of Proposition 218 described under the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218.” There can be no assurance that the Board of Directors will adopt such rate increases as currently projected.

Set forth below is a comparison of the District’s water bill for a typical residential customer as compared to neighboring communities.



**TABLE 21**  
**IRVINE RANCH WATER DISTRICT**  
**Typical Residential Customer Water Bills**

<i>Water Service Provider</i>	<i>Charge</i> <sup>(1)</sup>
Mesa Water District	\$104.19
City of Santa Ana	83.27
City of Newport Beach	75.18
City of Tustin	71.62
City of Anaheim	69.45
City of Orange	63.20
City of Huntington Beach	58.28
<b>Irvine Ranch Water District</b> <sup>(2)</sup>	<b>45.03</b>

<sup>(1)</sup> Information is as of December 2023. Based on assumed usage of 15 ccf per month.

<sup>(2)</sup> For the District, the first 6 ccf is billed at the low volume rate of \$1.75 and next 9 ccf is billed at \$2.52. Excludes *ad valorem* assessments levied by the District.

Source: The District.

## THE SEWER SYSTEM

### General

The District, following voter approval in 1965, is authorized by law to acquire, construct, operate and furnish facilities and services for the collection, treatment, reclamation and disposal of wastewater, and the District may contract with others for such purposes. The District has an extensive network of gravity sewers, force mains, lift stations and siphons that convey wastewater to two District-owned treatment plants. As of June 30, 2023, the District had approximately 1,480 miles of sewer mains and treatment plant capacity of approximately 33.5 mgd at the MWRP and the Los Alisos Water Recycling Plant (“LAWRP”). More than 10,600 billion gallons of wastewater were treated by the District (including wastewater flows sent to Orange County Sanitation District (“OC San”)) during Fiscal Year 2023.

In 1986, the District cooperated with OC San to form Sanitation District 14 (functionally replaced by “Revenue Area 14” of OC San upon the consolidation of the several sanitation districts comprising OC San’s predecessor, the County Sanitation Districts of Orange County, in 1998), which overlays a substantial portion of the District’s territory. Under an agreement entered into between the District and OC San in connection with such formation, the District paid approximately \$34 million for an approximate 6% interest in OC San’s sewage processing facilities (such percentage of interest will vary over time pursuant to a formula set forth in the agreement between OC San and the District). This agreement currently provides treatment capacity (in addition to the capacity at District-owned facilities (the MWRP and the LAWRP)) of up to 15 mgd. The agreement also provides for the purchase by the District of certain additional capacity in OC San sewage processing facilities determined from annual flows. In Fiscal Years 2022 and 2023, the District utilized approximately 2.2 billion gallons and 2.8 billion gallons, respectively, of capacity each year pursuant to its agreement with OC San. In Fiscal Year 2023, approximately 74% of the District’s wastewater was treated by the MWRP and LAWRP operated by the District, and approximately 26% was treated by OC San.

OC San faces various challenges in the continued treatment of sewage. A description of these challenges, as well as a variety of other operating information with respect to OC San, is included in certain disclosure documents prepared by OC San. OC San periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. OC San has also entered into certain continuing disclosure agreements pursuant to which OC San is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12. Such official statements, other disclosure documents, annual reports

and notices (collectively, the “OC San Information”) are filed with EMMA at <http://emma.msrb.org>. The OC San Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. OC SAN HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2011A BONDS TO PROVIDE OC SAN INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2011A BONDS.

**OC SAN HAS NOT REVIEWED THIS REMARKETING STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO OC SAN. OC SAN IS NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE DISTRICT OR THE OWNERS OF THE SERIES 2011A BONDS UNDER RULE 15c2-12.**

The District treats and recycles wastewater in amounts sufficient to meet recycled water customer demand and fill available capacity in seasonal storage reservoirs for later delivery to recycled water customers. Most of the excess wastewater collected by the District is diverted to OC San for treatment and ultimate disposal into the Pacific Ocean through OC San’s two ocean outfall pipelines or recharged into the Orange County groundwater basin through OCWD’s Groundwater Replenishment System.

The District has evaluated alternative approaches to handling its biosolids. In 2020, the District began operating the Biosolids and Energy Recovery Facility (the “Biosolids Facility”) to handle MWRP solids which were previously conveyed to OC San. Operation of the Biosolids Facility enables the District to dewater and beneficially reuse biosolids and reduce conveyances to OC San, in accordance with District goals of undertaking green and sustainable business practices and establishing cost-effective management of sewage services for District customers.

Ultimately, the District plans to expand capacity for its treatment facilities to approximately 40.5 mgd in order to: (i) increase recycled water production and utilization; (ii) decrease exposure to external treatment costs and operational constraints; and (iii) decrease dependence on imported water supplies. The increased capacity will allow the Biosolids Facility to handle solids from the District’s MWRP and LAW RP facilities and solids from other potential participating agencies. See the caption “FUTURE CAPITAL IMPROVEMENTS.”

**Historic Sewer System and Recycled Water Connections**

The following table shows the number of sewer and recycled water connections in the District for the five most recent Fiscal Years.

**TABLE 22  
IRVINE RANCH WATER DISTRICT  
Historic Sewer and Recycled Water Connections**

<i>Fiscal Year</i>	<i>Connections</i>	<i>Percentage Change</i>
2019	111,210	N/A%
2020	113,176	1.77
2021	115,382	1.95
2022	117,334	1.69
2023	118,766	1.22

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Source: The District.

**Projected Sewer and Recycled Water Connections**

The following table shows the projected number of sewer and recycled water connections for the current and next four Fiscal Years.

**TABLE 23  
IRVINE RANCH WATER DISTRICT  
Projected Sewer and Recycled Water Connections<sup>(1)</sup>**

<i>Fiscal Year</i>	<i>Connections</i>	<i>Percentage Change</i>
2024	120,547	1.50%
2025	122,356	1.50
2026	124,191	1.50
2027	125,433	1.00
2028	126,687	1.00

<sup>(1)</sup> Increases in connections reflect District estimates of development activity.  
Source: The District.

**Connection Fees**

The District collects a sewer connection fee for each new connection to finance District sewer facilities. Connection fees vary by Improvement District and range from \$2,262 to \$9,641 for each residential unit and \$10,656 to \$94,272 for each acre of commercial or industrial property. The connection fee is designed to recover the cost of each additional connection and allocate among all Improvement Districts the costs of master planned facilities such as transmission mains, pumping stations, treatment facilities and appurtenances and capacity necessary to serve each Improvement District.

**Historic Sewer Daily Average Flow**

The following table shows the daily average sewer flow in millions of gallons per day for the five most recent Fiscal Years.

**TABLE 24  
IRVINE RANCH WATER DISTRICT  
Historic Sewer Daily Average Flow**

<i>Fiscal Year</i>	<i>Daily Average Flow (mgd)<sup>(1)</sup></i>	<i>Percentage Change</i>
2019	28.2	N/A%
2020	28.3	0.35
2021	29.2	3.18
2022	29.3	0.34
2023	29.0	(1.02)

<sup>(1)</sup> Includes District flow treated by OC San.  
Source: The District.

**Projected Sewer Daily Average Flow**

The following table shows the projected daily average sewer flow in millions of gallons per day for the current and next four Fiscal Years.

**TABLE 25  
IRVINE RANCH WATER DISTRICT  
Projected Sewer Daily Average Flow**

<i>Fiscal Year</i>	<i>Daily Average Flow (mgd)<sup>(1)</sup></i>	<i>Percentage Change</i>
2024	29.3	1.03%
2025	29.6	1.00
2026	29.9	1.00
2027	30.2	1.00
2028	30.5	1.00

<sup>(1)</sup> Includes District flow projected to be treated by OC San.  
Source: The District.

**Historic Recycled Water Sales and Sewer Service Charge Revenues**

The following table shows the recycled water sales and sewer service charge revenues for the five most recent Fiscal Years. Increases reflect increases in connections as well as rate increases adopted by the Board of Directors.

**TABLE 26  
IRVINE RANCH WATER DISTRICT  
Historic Recycled Water Sales and Sewer Service Charge Revenues  
(In Thousands)**

<i>Fiscal Year</i>	<i>Recycled Water Sales and Sewer Service Charge Revenues</i>	<i>Percentage Change</i>
2019	\$76,841	N/A%
2020	77,187	0.45
2021	82,234	6.54
2022	84,955	3.31
2023	84,693	(0.31)

Source: The District.

**Projected Recycled Water Sales and Sewer Service Charge Revenues**

The following table shows the projected recycled water sales and sewer service charge revenues for the current and next four Fiscal Years.

**TABLE 27**  
**IRVINE RANCH WATER DISTRICT**  
**Projected Recycled Water Sales and Sewer Service Charge Revenues**  
**(In Thousands)**

<i>Fiscal Year</i>	<i>Recycled Water Sales and Sewer Service Charge Revenues<sup>(1)</sup></i>	<i>Percentage Change</i>
2024	\$110,154	30.06%
2025	117,437	6.61
2026	123,309	5.00
2027	129,474	5.00
2028	135,948	5.00

<sup>(1)</sup> Reflects increases in projected sewer connections and daily average sewer flow described under the captions “—Projected Sewer and Recycled Water Connections” and “—Projected Sewer Daily Average Flow,” respectively, as well as adopted and projected increases in recycled water and sewer rates described under the captions “THE WATER SYSTEM—Water System Rates and Charges” and “THE SEWER SYSTEM—Sewer System Rates and Charges.” Such rate increases are subject to the notice, hearing and protest provisions of Proposition 218 and there can be no assurance that the Board of Directors will adopt such rate increases as currently projected. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218.”

Source: The District.

**Largest Sewer and Recycled Water Service Customers**

The following table sets forth the ten largest sewer service customers of the District for Fiscal Year 2023, as determined by annual payments.

**TABLE 28**  
**IRVINE RANCH WATER DISTRICT**  
**Ten Largest Sewer and Recycled Water Service Customers**  
**Fiscal Year 2023**

<i>Customer</i>	<i>Fiscal Year 2023 Payment</i>	<i>Percentage of Total Sewer and Recycled Service Revenues</i>
1. The Irvine Company	\$13,071,552	15.43%
2. City of Irvine	2,840,890	3.35
3. University of California, Irvine	2,662,137	3.14
4. B Braun Medical, Inc.	798,647	0.94
5. Irvine Unified School District	702,617	0.83
6. Crystal Cove Community Association	399,138	0.47
7. ERP Operating, LP	371,713	0.44
8. California Department of Transportation, District 12	369,927	0.44
9. City of Tustin	346,229	0.41
10. Woodbury Community Association	318,842	0.38
<b>TOTAL</b>	<b>\$21,881,692</b>	<b>25.83%</b>

Source: The District.

These ten largest customers accounted for approximately 25.83% of total sewer and recycled water service revenues in Fiscal Year 2023.

**Sewer System Rates and Charges**

Effective July 1, 2023, residential users pay a fixed monthly service charge which ranges from \$23.10 to \$33.24, rising to \$25.70 to \$36.79 on July 1, 2024. Commercial and industrial users pay \$33.24 for the first ten ccf of water use and \$3.00 per ccf thereafter.

For the ten Fiscal Years prior to Fiscal Year 2023, the District had increased its fixed monthly sewer service charge by an average of approximately 5% each year.

The projected sewer system and recycled water sales revenues set forth under the captions “—Projected Recycled Water Sales and Sewer Service Charge Revenues” and “WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage” reflect sewer rate increases effective on July 1, 2023 and July 1, 2024 as well as projected sewer and recycled water rate increases of 3.5% per annum thereafter which have not been adopted. Sewer rate increases in Fiscal Years 2026 through 2026 are subject to the notice, hearing and protest provisions of Proposition 218 described under the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218.” There can be no assurance that the Board of Directors will adopt such rate increases as currently projected.

Set forth below is a comparison of the District’s sewer bills for a typical residential customer as compared to other neighboring communities.

**TABLE 29  
IRVINE RANCH WATER DISTRICT  
Typical Residential Customer Sewer Bill**

<i>Sewer Service Provider</i>	<i>Charge<sup>(1)</sup></i>
City of Orange	\$42.48
City of Huntington Beach	40.80
City of Tustin	39.91
City of Costa Mesa	39.70
City of Newport Beach	38.83
City of Santa Ana	37.45
City of Anaheim	36.36
<b>Irvine Ranch Water District<sup>(2)</sup></b>	<b>23.10-33.24</b>

<sup>(1)</sup> Information is as of December 2023.

<sup>(2)</sup> District sewer service charge varies depending upon customer water usage. Excludes *ad valorem* assessments levied by District.

Source: The District.

**FUTURE CAPITAL IMPROVEMENTS**

The District anticipates spending approximately \$902 million on water, recycled water and sewer system improvements during the current and the next four Fiscal Years. The District anticipates financing such improvements through a combination of District revenues, fund balances, bonds and/or certificates of participation and, for a portion of the Kern Fan Project (which is described under the caption “—Water Supply Reliability” below), grant proceeds of approximately \$46.9 million. The District currently anticipates issuing additional bonds in the estimated principal amount of \$200 million in Fiscal Year 2027, although the District has not yet determined which source of revenues will be pledged to repay such bonds and there can be no

assurance as to the ultimate timing or principal amount of such bonds. The following table sets forth the District’s projected capital improvement projects for the current and next four Fiscal Years:

**TABLE 30**  
**IRVINE RANCH WATER DISTRICT**  
**Projected Water, Recycled Water and Sewer Systems Capital Improvements**  
**For Fiscal Years 2024 through 2028**

<i>Project</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>Total</i>
Solids Handling	\$ 3,371,631	\$ 4,835,752	\$ 8,748,650	\$ 23,721,575	\$ 43,717,518	\$ 84,395,126
OC San CORF/Equity <sup>(1)</sup>	11,892,000	12,175,000	3,844,000	7,374,000	3,734,000	39,019,000
Water Supply Reliability	6,761,234	8,058,737	40,384,292	20,500,187	23,299,700	99,004,150
Development-Related Expansion	13,430,661	23,594,755	101,330,144	116,084,754	31,336,071	285,776,385
Replacement and Refurbishment	22,032,521	44,646,954	58,057,991	58,994,339	72,234,313	255,966,118
Operational Improvements	<u>50,785,803</u>	<u>30,887,465</u>	<u>21,048,306</u>	<u>17,014,711</u>	<u>17,994,736</u>	<u>137,731,021</u>
<b>Total</b>	<b>\$108,273,850</b>	<b>\$124,198,663</b>	<b>\$233,413,383</b>	<b>\$243,689,566</b>	<b>\$192,316,338</b>	<b>\$901,891,800</b>

<sup>(1)</sup> The District pays for its portion of OC San capital costs based on a 3-year rolling average of sewer flows. Assuming normal weather patterns return, the District’s average sewer flow is expected to decrease in the future, which could result in a credit in OC San capital costs in future years. See the caption “THE SEWER SYSTEM—General.”

Source: The District.

### **Solids Handling**

The solids handling capital projects include the design and construction of facilities for thickening, acid-phase anaerobic digestion, dewatering, drying and pelletization, energy generation, and use of pellets as a fertilizer or e-fuel. They also include a solids receiving station to allow processing of dewatered sludge from the LAWRP for drying and pelletization. In addition, facilities for the receipt and transfer of fats, oil and grease to the digesters to increase methane and energy production capabilities came online in mid-2021. See the caption “THE SEWER SYSTEM—General.” A portion of the costs of these projects was financed from proceeds of the 2016 Installment Sale Agreement and the Series 2016 Bonds. See the caption “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness.”

### **OC San CORF/Equity**

OC San’s Capital Outlay Revolving Fund (“CORF”) funds OC San projects such as plant upgrades for secondary treatment and the Groundwater Replenishment System. The District funds its share of the CORF based on the District’s percentage share of OC San’s total wastewater flow. Wastewater flows from the District presently comprise approximately 2% – 3% of OC San flows. In addition, the District purchases and sells equity in the OC San Joint Works Treatment Facilities based on the District’s percentage of OC San flows. See the caption “THE SEWER SYSTEM—General” above.

### **Water Supply Reliability**

Water supply reliability projects include the acquisition and construction of the Water Bank and the Kern Fan Project, which will develop a regional water bank in the Kern Fan area to capture, recharge and store unallocated Article 21 water from the State Water Project during wet hydrologic periods through a joint venture between the District and Rosedale. The stored water would be extracted when needed to provide ecosystem, emergency supply and water supply benefits. The District’s share of the Kern Fan Project would be used in conjunction with the Strand Ranch and Stockdale Integrated Banking Projects to meet the District’s contingency storage needs at build-out. Other water supply reliability projects include booster pump stations and interagency pipeline construction. See the captions “WATER SUPPLY—Water Supply Reliability—Other Water Supply Reliability Programs” and “THE WATER SYSTEM—General.”

## **Development-Related Expansion**

Development-related expansion improvements include construction of new water, recycled water and sewer improvements to serve new developments and the expansion of the Syphon Recycled Water Reservoir, which is intended to increase storage capacity in the reservoir from 450 acre feet to 5,000 acre feet. Additional storage capacity could allow the District to utilize more of the recycled water it produces. See the caption “THE WATER SYSTEM—General.”

## **Replacement and Refurbishment**

Replacement and refurbishment improvements consist of repairs and restoration to existing water, recycled water and sewer system facilities, including the replacement of the Santiago Creek Dam’s outlet tower and spillway. See the captions “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Future Indebtedness” and “WATER SUPPLY.”

## **Operational Improvements**

Operational improvements consist of optimizing District facilities and include improvements to the District’s water and wastewater Operations Center, adding water quality mixing systems to existing reservoirs, expanding the reliability of the Supervisory Control and Data Acquisition system, and relocating District facilities as required by interagency projects.

## **WATER AND SEWER SYSTEM FINANCIAL INFORMATION**

### **Financial Statements**

A copy of the most recent financial statements of the District audited by Davis Farr LLP, Certified Public Accountants (the “**Auditor**”), are included as Appendix B (the “**Financial Statements**”) and should be read in their entirety. The Auditor’s letter is set forth at the beginning of the Financial Section of the Financial Statements. The Auditor has not reviewed the contents of this Remarketing Statement, and the District has not sought the Auditor’s consent to the inclusion of the Auditor’s report in the Financial Statements in this Remarketing Statement.

### **Reduction in BAB Credits**

On March 1, 2013, the federal government announced the implementation of certain automatic budget cuts known as the sequester, including reductions in Build America Bond (“**BAB**”) interest subsidy payments (“**BAB Credits**”). The originally scheduled BAB Credit was reduced by amounts ranging from 5.7% to 8.7% in federal fiscal years 2013 through 2023. Under the Infrastructure Investment and Jobs Act enacted in 2021, the reduction of BAB Credits will continue through September 30, 2031 at the rate of 5.7%.

Under federal legislation enacted in 2010, any increase in the federal deficit caused by a new tax or entitlement spending law also triggers sequestration reductions to eliminate the deficit increase, absent a waiver either as part of the triggering law or in subsequent legislation. In light of the federal deficit increase resulting from the American Rescue Plan Act of 2021, a federal COVID-19 relief measure, the Congressional Budget Office has estimated that BAB Credits will be subject to elimination entirely starting January 1, 2023 through September 30, 2026 without action by Congress to waive or postpone such reductions; such a waiver was enacted for federal fiscal year 2023. The District can give no assurance regarding the level of subsidy payments that it will receive in the future or the likelihood of the further reduction or elimination of the subsidy payments for direct-pay bonds, including BAB Credits.

The District’s Series 2010B Bonds are BABs and the historic and projected operating results shown under the captions “—Historic Operating Results and Debt Service Coverage” and “—Projected Operating



Results and Debt Service Coverage” reflect the announced reduction in BAB Credits but do not reflect additional reductions in or the elimination of BAB Credits that may be required in future federal fiscal years. While the District continues to monitor the effects of the reduction in BAB Credits on District finances, the District does not currently expect announced reductions, or any future reductions, to have a material adverse effect on the ability of the District to pay the principal of and interest on the Series 2010B Bonds or the Parity Obligations from Net Revenues.

### **Historic Operating Results and Debt Service Coverage**

The following summary of operating results of the District for the last five Fiscal Years is derived from the Financial Statements and audited financial statements of the District for prior Fiscal Years and excludes certain non-cash items and includes certain other adjustments. Such summary operating results are qualified in their entirety by reference to such statements, including the notes thereto.

**TABLE 31**  
**IRVINE RANCH WATER DISTRICT**  
**Historic Operating Results and Debt Service Coverage**  
**Fiscal Years 2018 through 2022**  
**(In Thousands)**

	2019	2020	2021	2022	2023
<b>REVENUES</b>					
Water sales and service charges	\$ 94,107	\$ 90,213 <sup>(10)</sup>	\$ 96,609	\$ 103,286	\$ 103,623
Recycled water sales and sewer service charges	76,841	77,187	82,234	84,955	84,693
Connection fees	18,205	10,943	18,913	10,449	14,355
Net real estate income	8,372	12,549	9,822	9,756	11,398
Interest income	6,992	7,640	3,694	1,860	9,396
Available 1% Property Tax Revenues <sup>(1)</sup>	42,389	44,463	47,172	49,781	53,045
Other <sup>(2)</sup>	8,876	6,606	6,336	6,529	7,267
<b>Total Revenues</b>	<u>\$ 255,782</u>	<u>\$ 249,601</u>	<u>\$ 264,780</u>	<u>\$ 266,616</u>	<u>\$ 283,777</u>
<b>OPERATION AND MAINTENANCE EXPENSES</b>					
Water services	\$ 64,004	\$ 67,792	\$ 79,221	\$ 89,186	\$ 87,070
Sewer services	43,734	49,497	51,540	48,353	50,751
Administrative and general	28,220	28,336	30,169	29,399	34,533
Pension expense <sup>(3)</sup>	7,906	9,260	10,373	11,286	12,638
Other	2,615	5,240	1,432	2,791	1,972
<b>Total Operation &amp; Maintenance Expenses</b>	<u>\$ 146,478</u>	<u>\$ 160,124</u>	<u>\$ 172,735</u>	<u>\$ 181,015</u>	<u>\$ 186,964</u>
<b>NET REVENUES</b>	\$ 109,304	\$ 89,477	\$ 92,045	\$ 85,601	\$ 96,813
<b>ASSESSMENT PROCEEDS<sup>(4)</sup></b>	\$ 12,554	\$ 13,548	\$ 13,009	\$ 13,329	\$ 15,260
<b>TOTAL NET REVENUES AND ASSESSMENT PROCEEDS</b>	<u>\$ 121,858</u>	<u>\$ 103,025</u>	<u>\$ 105,054</u>	<u>\$ 98,930</u>	<u>\$ 112,073</u>
<b>PARITY OBLIGATION DEBT SERVICE</b>					
Series 2016 Bonds	\$ 5,301	\$ 5,301	\$ 5,301	\$ 7,456	\$ 7,415
2016 Installment Sale Agreement	5,837	5,837	9,304	9,341	9,358
Series 2011A Bonds	4,045	3,887	3,236	3,487	5,231
Series 2010B Bonds <sup>(5)</sup>	7,792	7,778	7,756	7,764	7,764
2010 Installment Sale Agreement	1,984	2,079	-	-	-
1997 State Loan #3	194	194	-	-	-
<b>Total Parity Obligation Debt Service</b>	<u>\$ 25,153</u>	<u>\$ 25,076</u>	<u>\$ 25,597</u>	<u>\$ 28,048</u>	<u>\$ 29,768</u>
<b>PARITY OBLIGATION COVERAGE<sup>(6)</sup></b>	4.8x	4.1x	4.1x	3.5x	3.8x
Revenues Available For Subordinate Debt Service	\$ 96,705	\$ 77,949	\$ 79,457	\$ 70,882	\$ 82,305
<b>SUBORDINATE OBLIGATION DEBT SERVICE</b>					
Swap Payments <sup>(7)</sup>	\$ 4,513	\$ 2,496	\$ 3,331	\$ 3,247	\$ 1,081
State Loans and SCWD Debt <sup>(8)</sup>	122	100	108	100	100
<b>Total Subordinate Obligation Debt Service</b>	<u>\$ 4,635</u>	<u>\$ 2,596</u>	<u>\$ 3,439</u>	<u>\$ 3,347</u>	<u>\$ 1,181</u>
<b>Sources of Payment for Ad Valorem Assessment Bonds:</b>					
Remaining Revenues	\$ 92,070	\$ 75,353	\$ 76,018	\$ 67,535	\$ 81,124
1% Pledged Property Tax Revenues <sup>(9)</sup>	1,192	1,141	860	1,117	1,427
Ad valorem Assessments	6,922	7,223	6,693	6,602	7,289
Total Funds Available for Ad Valorem Assessment Bonds	\$ 100,184	\$ 83,717	\$ 83,571	\$ 75,254	\$ 89,840
Ad Valorem Assessment Bond Debt Service	(11,436)	(10,781)	(9,222)	(9,689)	(12,321)
<b>NET REVENUES AVAILABLE FOR OTHER PURPOSES</b>	<u>\$ 88,748</u>	<u>\$ 72,936</u>	<u>\$ 74,349</u>	<u>\$ 65,565</u>	<u>\$ 77,519</u>

(FOOTNOTES ON FOLLOWING PAGE)

- (1) Represents 1% Property Tax Revenues available to pay debt service on Parity Obligations after payment of debt service on bonds of the District secured by a pledge of the District's share of the County 1% general *ad valorem* property tax pursuant to Resolution 2002-10, adopted by the Board of Directors of the District on April 8, 2002 (the "**Secured Bonds**").
  - (2) Other Revenues includes golf course lease, cell site leases, conservation revenue, penalty revenue, grants and Allen-McColloch pipeline income.
  - (3) Pension expense is based on GASB 68 requirements. See the caption "THE IRVINE RANCH WATER DISTRICT—Pension Benefits." These expenses were included in the "Administrative and general" line item in the audited financial statements of the District for the Fiscal Years shown. They have been separated in the above table for presentation purposes.
  - (4) Pro rata share of *ad valorem* assessments based on outstanding par amount of all Ad Valorem Assessment Bonds. Assessment Proceeds are only available to pay debt service on Series 2010B Bonds, Series 2011A Bonds and Series 2016 Bonds and are not available to pay debt service on other Parity Obligations which are not general obligation bonds secured by *ad valorem* assessments.
  - (5) Debt Service net of BAB Credit on Series 2010B Bonds. Reflects announced reductions in BAB Credits. See the caption "—Reduction in BAB Credits."
  - (6) Total Net Revenues and Assessment Proceeds divided by Total Parity Obligation Debt Service.
  - (7) Net swap payments made.
  - (8) Santiago County Water District was consolidated into the District as of July 1, 2006.
  - (9) Represents District's share of 1% Property Tax Revenues which, together with the *ad valorem* assessments, is sufficient to pay debt service on the Secured Bonds. Variations reflect fluctuations in debt service on the Secured Bonds and redemptions thereof.
  - (10) Decrease in Fiscal Year 2020 reflects one-time cumulative adjustment in water banking storage revenue in Fiscal Year 2019. See Footnote 2 to Table 18 under the caption "THE WATER SYSTEM—Historic Water Sales and Service Charge Revenues."
- Source: The District.

### **Projected Operating Results and Debt Service Coverage**

The District's estimated projected operating results for the current and next four Fiscal Years are set forth below, reflecting certain significant assumptions concerning future events and circumstances. The financial forecast represents the District's estimate of projected financial results based on the District's assumptions, including the assumptions in the footnotes to the chart set forth below. Such assumptions are material in the development of the District's financial projections, and variations in the assumptions may produce substantially different financial results. Actual operating results achieved during the projection period may vary from those presented in the forecast and such variations may be material.

**TABLE 32**  
**IRVINE RANCH WATER DISTRICT**  
**Five-Year Debt Service Coverage Forecast**  
**Fiscal Years 2024 through 2028**  
**(In Thousands)**

	2024 <sup>(1)</sup>	2025 <sup>(1)</sup>	2026	2027	2028
<b>REVENUES</b>					
Water sales and service charges <sup>(2)</sup>	\$ 123,096	\$ 132,987	\$ 139,637	\$ 146,618	\$ 153,949
Recycled water sales and sewer service charges <sup>(3)</sup>	110,154	117,437	123,309	129,474	135,948
Connection fees <sup>(4)</sup>	12,000	11,000	11,000	10,000	10,000
Net real estate income <sup>(5)</sup>	11,900	12,200	12,566	12,943	13,331
Interest income <sup>(6)</sup>	13,235	13,219	9,470	8,245	6,167
Available 1% Property Tax Revenues <sup>(7)</sup>	54,717	57,134	58,813	60,484	62,400
Other <sup>(8)</sup>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>
<b>Total Revenues</b>	<b>\$ 332,102</b>	<b>\$ 350,977</b>	<b>\$ 361,795</b>	<b>\$ 374,764</b>	<b>\$ 388,795</b>
<b>OPERATION AND MAINTENANCE EXPENSES</b>					
Water services <sup>(9)</sup>	\$ 98,317	\$ 104,782	\$ 108,450	\$ 112,245	\$ 116,174
Sewer services <sup>(9)</sup>	65,502	69,945	72,393	74,926	77,549
Administrative and general <sup>(10)</sup>	24,366	26,068	26,981	27,925	29,042
Pension expense <sup>(11)</sup>	13,055	13,147	12,265	11,864	11,587
Other <sup>(12)</sup>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
<b>Total Operation &amp; Maintenance Expenses</b>	<b>\$ 202,740</b>	<b>\$ 215,442</b>	<b>\$ 221,589</b>	<b>\$ 228,460</b>	<b>\$ 235,852</b>
<b>NET REVENUES</b>	<b>\$ 129,362</b>	<b>\$ 135,535</b>	<b>\$ 140,206</b>	<b>\$ 146,304</b>	<b>\$ 152,943</b>
<b>ASSESSMENT PROCEEDS<sup>(13)</sup></b>	<b>\$ 14,956</b>	<b>\$ 15,757</b>	<b>\$ 16,449</b>	<b>\$ 14,091</b>	<b>\$ 14,573</b>
<b>TOTAL NET REVENUES AND ASSESSMENT PROCEEDS</b>	<b>\$ 144,318</b>	<b>\$ 151,292</b>	<b>\$ 156,655</b>	<b>\$ 160,395</b>	<b>\$ 167,516</b>
<b>PARITY OBLIGATION DEBT SERVICE<sup>(14)</sup></b>					
Series 2016 Bonds	\$ 9,506	\$ 9,630	\$ 9,752	\$ 9,827	\$ 9,940
2016 Installment Sale Agreement <sup>(15)</sup>	7,764	10,884	10,415	10,740	11,135
Series 2011A Bonds <sup>(16)</sup>	7,455	7,456	7,457	7,456	7,456
Series 2010B Bonds <sup>(17)</sup>	<u>5,518</u>	<u>5,693</u>	<u>5,589</u>	<u>5,403</u>	<u>5,488</u>
<b>Total Parity Obligation Debt Service</b>	<b>\$ 30,243</b>	<b>\$ 33,663</b>	<b>\$ 33,213</b>	<b>\$ 33,426</b>	<b>\$ 34,019</b>
<b>PARITY OBLIGATION COVERAGE<sup>(18)</sup></b>	<b>4.8x</b>	<b>4.5x</b>	<b>4.7x</b>	<b>4.8x</b>	<b>4.9x</b>
Revenues Available For Subordinate Debt Service	\$ 114,075	\$ 117,629	\$ 123,442	\$ 126,969	\$ 133,497
<b>SUBORDINATE OBLIGATION DEBT SERVICE<sup>(14)</sup></b>					
Swap Payments <sup>(19)</sup>	\$ 1,194	\$ 834	\$ 984	\$ 1,194	\$ 1,194
State Loans and SCWD Debt <sup>(15)</sup>	<u>100</u>	<u>100</u>	<u>100</u>	<u>59</u>	<u>19</u>
<b>Total Subordinate Obligation Debt Service</b>	<b>\$ 1,294</b>	<b>\$ 934</b>	<b>\$ 1,084</b>	<b>\$ 1,253</b>	<b>\$ 1,213</b>
<b>Sources of Payment for Ad Valorem Assessment</b>					
<b>Bonds:</b>					
Remaining Revenues	\$ 112,781	\$ 116,695	\$ 122,358	\$ 125,716	\$ 132,284
1% Pledged Property Tax Revenues <sup>(20)</sup>	1,783	1,566	1,687	1,816	1,800
<i>Ad valorem</i> Assessments <sup>(21)</sup>	<u>7,144</u>	<u>7,243</u>	<u>7,251</u>	<u>10,309</u>	<u>10,527</u>
Total Funds Available for Ad Valorem	\$ 121,708	\$ 125,504	\$ 131,296	\$ 137,841	\$ 144,611
Assessment Bonds	(11,729)	(14,300)	(14,246)	(18,927)	(19,595)
Ad Valorem Assessment Bond Debt Service <sup>(22)</sup>	<u>(11,729)</u>	<u>(14,300)</u>	<u>(14,246)</u>	<u>(18,927)</u>	<u>(19,595)</u>
<b>NET REVENUES AVAILABLE FOR OTHER PURPOSES</b>	<b>\$ 109,979</b>	<b>\$ 111,204</b>	<b>\$ 117,050</b>	<b>\$ 118,914</b>	<b>\$ 125,016</b>

(1) Reflected budgeted amounts with certain adjustments.

(2) Reflects rate increases effective on July 1, 2023 and July 1, 2024 as well as projected water rate increases of 3.5% per annum thereafter which have not yet been adopted. See the caption "THE WATER SYSTEM—Projected Water Sales and Service Charge Revenues."

(FOOTNOTES CONTINUED ON FOLLOWING PAGE)

(FOOTNOTES CONTINUED FROM PREVIOUS PAGE)

- (3) Reflects rate increases effective on July 1, 2023 and July 1, 2024 as well as projected sewer and recycled water rate increases of 3.5% per annum thereafter which have not been adopted. See the caption “THE SEWER SYSTEM—Projected Recycled Water Sales and Sewer Service Charge Revenues.”
  - (4) Based on District projections of development.
  - (5) Based on existing and expected leases. See the captions “THE IRVINE RANCH WATER DISTRICT—Current Investments” and “THE IRVINE RANCH WATER DISTRICT—Projected Net Real Estate Income.”
  - (6) Assumes interest rates of 3.6% in Fiscal Year 2024, 3.9% in Fiscal Year 2025, 3.6% in Fiscal Year 2026, 3.3% in Fiscal Year 2027 and 3.3% in Fiscal Year 2028.
  - (7) Represents 1% Property Tax Revenues available to pay Debt Service on Parity Obligations after payment of debt service on Secured Bonds from 1% Property Tax Revenues and applicable *ad valorem* assessments. Projected fluctuation in 1% Property Tax Revenues is a result of uneven debt service on Secured Bonds. See the caption “THE IRVINE RANCH WATER DISTRICT—1% Property Tax Revenues.”
  - (8) Includes golf course lease, cell site leases, overallocation revenue, penalty revenue and grants. Projected to remain at Fiscal Year 2024 budgeted amount.
  - (9) Projected to increase approximately 3.5% per annum from Fiscal Year 2025 budgeted amount. Water services expenses do not reflect any reduction in payments to OCWD as a result of the Complaint that is discussed under the caption “WATER SUPPLY—Groundwater—General.”
  - (10) Projected to increase approximately 3.5% per annum in Fiscal Years 2026 and 2027 and 4.0% per annum thereafter.
  - (11) Reflects projected OPEB costs, normal pension costs and unfunded pension liability expenses. See the caption “THE IRVINE RANCH WATER DISTRICT—Pension Benefits.”
  - (12) Projected to remain at Fiscal Year 2024 budgeted amount.
  - (13) Pro rata share of *ad valorem* assessments based on outstanding par amount of all Ad Valorem Assessment Bonds. Assessment Proceeds are only available to pay debt service on Series 2010B Bonds, Series 2011A Bonds and Series 2016 Bonds and are not available to pay other Parity Obligations which are not general obligation bonds secured by *ad valorem* assessments.
  - (14) Does not reflect the issuance of additional debt to finance future capital improvements. See the caption “FUTURE CAPITAL IMPROVEMENTS” for a discussion of an expected additional bond issuance in Fiscal Year 2027.
  - (15) Reflects scheduled debt service.
  - (16) Projected at rates of 3.1% in Fiscal Year 2024, 3.4% in Fiscal Year 2025, 3.1% in Fiscal Year 2026, 2.8% in Fiscal Year 2027 and 2.8% in Fiscal Year 2028. Assumes that the purchase price of Series 2011A Bonds is paid from remarketing proceeds. Assumes letter of credit fees equal to 0.32% of principal.
  - (17) Debt Service net of BAB Credit on Series 2010B Bonds. Reflects announced reductions in BAB Credits only. See the caption “—Reduction in BAB Credits.”
  - (18) Total Net Revenues and Assessment Proceeds divided by Total Parity Obligation Debt Service.
  - (19) Net swap payments. Assumes SOFR rate with respect to swaps of 3.70% in Fiscal Year 2024, 4.30% in Fiscal Year 2025, 4.05% in Fiscal Year 2026, 3.70% in Fiscal Year 2027 and 3.74% in Fiscal Year 2028. See the caption “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Subordinate Debt—Interest Rate Swap Transactions.”
  - (20) Represents District’s share of 1% Property Tax Revenues which, together with the applicable *ad valorem* assessments, is sufficient to pay debt service on the Secured Bonds.
  - (21) Pro rata share of *ad valorem* assessments based on outstanding par amount of all *ad valorem* assessment bonds and Series 2010B Bonds, Series 2011A Bonds and Series 2016 Bonds.
  - (22) Ad Valorem Assessment Bonds debt projection assumes annual sinking fund payments, SIFMA rates of 3.1% in Fiscal Year 2024, 3.4% in Fiscal Year 2025, 3.1% in Fiscal Year 2026, 2.8% in Fiscal Year 2027 and 2.8% in Fiscal Year 2028 and letter of credit fees equal to 0.3% of principal. Does not include Series 2010B Bonds, Series 2011A Bonds or Series 2016 Bonds, which are Parity Obligations. Assumes the issuance of \$100 million of new variable rate *ad valorem* assessment bonds issued in Fiscal Year 2026. See the caption “FUTURE CAPITAL IMPROVEMENTS.”
- Source: The District.

## THE IMPROVEMENT DISTRICTS

### General

The District contains eight water Improvement Districts and ten sewer Improvement Districts covering specific areas within the District’s boundaries, some of them overlapping and each of which is governed by the Act. The District formed the Improvement Districts in order to allocate funding responsibility for capital facilities to the areas that will benefit from such capital facilities and to separate areas on the basis of projected timing of development so that capital facilities construction can be matched to the development approval decisions of the respective local agency that makes them. Some of the Improvement Districts share in the funding of the District’s regional facilities which the Improvement Districts will use in common, such as major water importation facilities or sewer treatment plants.

Each Improvement District has a respective plan of works and a certain amount of authorized general obligation bonded indebtedness. See Table 3 under the caption “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness.” The *Ad Valorem* Assessment Bonds issued pursuant to such authorization are sold in each instance by the District on the respective Improvement District’s behalf. The obligation to repay bonds issued on behalf of an Improvement District is secured in each instance by the power of the District to levy and collect within such Improvement District *ad valorem* assessments without limitation as to rate or amount on land only (enforceable by customary rights to foreclose and sell property for delinquent assessments) or, in lieu of assessments, in the District’s discretion, charges for water or sewer service, as applicable, all within the subject Improvement District. These powers and functions are exercised for each Improvement District by the Board of Directors of the District. Although the respective funding obligations of each Improvement District are separate and independent, the Improvement Districts are not operated as separate or independent governmental entities, nor do they have governing boards or any staff. The Improvement Districts are geographical subdivisions of the District through which the District funds capital improvements.

As a result of the District’s discretionary election to use other sources of payment for debt service on *ad valorem* assessment bonds, the annual tax rates set by the District vary from year to year and generally do not result in revenues that correspond with debt service requirements on the *Ad Valorem* Assessment Bonds. The annual tax rates set by the District may vary from year to year for other reasons as well. The District has covenanted under the Indentures that, to the extent necessary to pay debt service on the Series 2011A Bonds, it will impose and collect *ad valorem* assessments on taxable land and In Lieu Charges (as such term is defined in Appendix C) within Improvement District Nos. 113, 125, 213 and 225. See the caption “SECURITY FOR THE SERIES 2011A BONDS—General—Covenant to Collect Assessment Proceeds” in the forepart of this Remarketing Statement.

The California Water Code allows the Board of Directors, in a noticed hearing process, to reorganize its improvement district boundaries and to consolidate coterminous improvement districts. As development progresses to completion in improvement districts and the need for having separate improvement districts to match capital facilities construction timing for different geographic areas diminishes, consolidation of various improvement districts can produce efficiencies for the District. Under the California Water Code provisions, certain improvement districts of the District are the consolidated successors to previously separate water improvement districts or previously separate sewer improvement districts, respectively. In 2013, following studies carried out by the District to identify further opportunities to implement such consolidations and reorganizations of its improvement districts, the District implemented improvement district consolidations that reduced the number of its improvement districts from 33 to 17. The statutory provisions for the consolidation of improvement districts specify that a consolidated improvement district may levy and collect the assessments and charges necessary to satisfy the obligations of its predecessor improvement districts, and that the authorized and unissued bonds of the predecessor improvement districts may be issued and sold as the bonds of the consolidated improvement district. The District believes that its actions to reorganize and/or consolidate improvement districts will not impair the District’s obligation to pay debt service on the outstanding bonds of such improvement districts or the security therefor. See the Remarketing Statement under the caption “INTRODUCTION—Improvement Districts—Improvement District Nos. 125 and 225” for a discussion of the consolidation of Improvement District Nos. 105 and 250 into Improvement District Nos. 125 and 225, respectively.

The following is a general description of each of the Improvement Districts as to which the Series 2011A Bonds constitute consolidated, several general obligations:

#### **Improvement District Nos. 125 and 225**

**General.** At the time of their initial issuance on April 15, 2011, the Series 2011A Bonds constituted the consolidated, several general obligations of Improvement District Nos. 105, 113, 213 and 250. Improvement District Nos. 125 and 225 are the legal successors to Improvement District Nos. 105 and 250, respectively. See

the Remarketing Statement under the caption “INTRODUCTION—Improvement Districts—Improvement District Nos. 125 and 225” for a discussion of the consolidation of Improvement District Nos. 105 and 250 into Improvement District Nos. 125 and 225, respectively.

Improvement District No. 125 (water) covers approximately 35,438 acres of the District, including several contiguous and non-contiguous areas in the central and coastal parts of the District. Improvement District No. 225 (sewer) covers approximately 32,862 acres of the District, including several contiguous and non-contiguous areas in the central part of the District. Currently, the majority of the land within Improvement District Nos. 125 and 225 consists of developed residential and commercial properties. The District expects certain areas within Improvement District Nos. 125 and 225 to be subject to infill development and redevelopment in the future. The District expects such additional development in Improvement District Nos. 125 and 225 to continue through at least 2025.

The *ad valorem* assessments levied by the District in Improvement District Nos. 125 and 225 to pay such Improvement Districts’ respective Included Amounts of debt service on the Series 2011A Bonds will be levied on land only. See Table 3 under the caption “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness” for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 125 and 225 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District No. 125 for the current and previous four Fiscal Years.

**TABLE 33**  
**IRVINE RANCH WATER DISTRICT**  
**Improvement District No. 125**  
**Assessed Valuations (Land Only)**

<i>Fiscal Year</i>	<i>Local Secured</i>	<i>Utility</i>	<i>Unsecured</i> <sup>(1)</sup>	<i>Total</i>
2020	\$45,880,505,430	\$ 553,973	\$43,180,694	\$45,924,240,097
2021	48,251,707,120	553,973	38,575,168	48,290,836,261
2022	50,567,081,713	553,973	51,119,724	50,618,755,410
2023	54,341,166,760	1,206,612	31,707,647	54,374,081,019
2024	58,735,262,984	1,206,612	90,433,208	58,826,902,804

<sup>(1)</sup> Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.  
Source: California Municipal Statistics, Inc.

The following table presents the assessed valuations of land in Improvement District No. 225 for the current and previous four Fiscal Years.

**TABLE 34**  
**IRVINE RANCH WATER DISTRICT**  
**Improvement District No. 225**  
**Assessed Valuations (Land Only)**

<i>Fiscal Year</i>	<i>Local Secured</i>	<i>Utility</i>	<i>Unsecured<sup>(1)</sup></i>	<i>Total</i>
2020	\$39,191,007,846	\$ 553,973	\$42,628,832	\$39,234,190,651
2021	41,344,701,998	553,973	38,581,368	41,383,837,339
2022	43,384,833,732	553,973	50,019,014	43,435,406,719
2023	46,633,216,378	1,206,612	28,872,502	46,663,295,492
2024	50,595,397,452	1,206,612	87,685,147	50,684,289,211

<sup>(1)</sup> Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.  
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 125 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2024:

**TABLE 35**  
**IRVINE RANCH WATER DISTRICT**  
**Improvement District No. 125**  
**Assessed Valuation and Parcels by Land Use**

	<i>Fiscal Year 2024 Assessed Valuation<sup>(1)</sup></i>	<i>% of Total</i>	<i>No. of Parcels</i>	<i>% of Total</i>
<b>Non-Residential:</b>				
Rural/Undeveloped	\$ 95,121,481	0.16%	90	0.08%
Commercial/Office	5,395,980,563	9.19	1,580	1.42
Industrial	2,634,572,980	4.49	1,169	1.05
Government/Social/Institutional	9,070,656	0.02	251	0.23
Miscellaneous	<u>18,590,363</u>	<u>0.03</u>	<u>10</u>	<u>0.01</u>
Subtotal Non-Residential	\$ 8,153,336,043	13.88%	3,100	2.79%
<b>Residential:</b>				
Single Family Residence	\$34,439,819,987	58.64%	40,998	36.87%
Condominium	15,176,157,270	25.84	33,620	30.24
2+ Residential Units/Apartments	876,693,342	1.49	260	0.23
Timeshare Interests	<u>89,256,342</u>	<u>0.15</u>	<u>33,205</u>	<u>29.87</u>
Subtotal Residential	\$50,581,926,941	86.12%	108,083	97.21%
<b>Total</b>	<b><u>\$58,735,262,984</u></b>	<b><u>100.00%</u></b>	<b><u>111,183</u></b>	<b><u>100.00%</u></b>

<sup>(1)</sup> Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).  
Source: California Municipal Statistics, Inc.



The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 225 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2024:

**TABLE 36**  
**IRVINE RANCH WATER DISTRICT**  
**Improvement District No. 225**  
**Assessed Valuation and Parcels by Land Use**

	<i>Fiscal Year 2024 Assessed Valuation<sup>(1)</sup></i>	<i>% of Total</i>	<i>No. of Parcels</i>	<i>% of Total</i>
<b>Non-Residential:</b>				
Rural/Undeveloped	\$ 85,124,888	0.17%	80	0.10%
Commercial/Office	5,365,890,554	10.61	1,490	1.95
Industrial	2,595,634,521	5.13	1,160	1.51
Government/Social/Institutional	6,012,539	0.01	225	0.29
Miscellaneous	<u>18,245,126</u>	<u>0.04</u>	<u>9</u>	<u>0.01</u>
Subtotal Non-Residential	\$ 8,070,907,628	15.95%	2,964	3.87%
<b>Residential:</b>				
Single Family Residence	\$ 26,641,883,923	52.66%	39,987	52.22%
Condominium	15,012,369,777	29.67	33,374	43.58
2+ Residential Units/Apartments	<u>870,236,124</u>	<u>1.72</u>	<u>255</u>	<u>0.33</u>
Subtotal Residential	\$ 42,524,489,824	84.05%	73,616	96.13%
<b>Total</b>	<u>\$ 50,595,397,452</u>	<u>100.00%</u>	<u>76,580</u>	<u>100.00%</u>

<sup>(1)</sup> Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).

Source: California Municipal Statistics, Inc.

**Principal Taxpayers.** The following table lists the major taxpayers in Improvement District No. 125 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2024:

**TABLE 37**  
**IRVINE RANCH WATER DISTRICT**  
**Improvement District No. 125**  
**Largest Local Secured Taxpayers**

	<i>Property Owner</i>	<i>Primary Land Use</i>	<i>Fiscal Year 2024 Assessed Valuation</i>	<i>% of Total<sup>(1)</sup></i>
1.	The Irvine Company	Commercial	\$ 253,581,814	0.43%
2.	Barranca Properties LLC	Commercial	240,000,000	0.41
3.	Alton Parkway Operating Company LLC	Commercial	172,243,840	0.29
4.	Five Point Office Venture	Commercial	149,928,436	0.26
5.	Heritage Fields El Toro LLC	Commercial	140,931,432	0.24
6.	Centerpoint Properties Trust	Commercial	120,885,533	0.21
7.	Amazon.com Services LLC	Industrial	116,696,124	0.20
8.	SP One LLC	Commercial	112,273,440	0.19
9.	Sand Canyon Business Center LLC	Commercial	93,103,344	0.16
10.	Alton Parkway Office Campus LLC	Industrial	<u>86,700,000</u>	<u>0.15</u>
	<b>TOTAL</b>		<u>\$ 1,486,343,963</u>	<u>2.53%</u>

<sup>(1)</sup> Fiscal Year 2024 Local Secured Assessed Valuation (Land Only): \$58,735,262,984.

Source: California Municipal Statistics, Inc.

The following table lists the major taxpayers in Improvement District No. 225 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2024:

**TABLE 38**  
**IRVINE RANCH WATER DISTRICT**  
**Improvement District No. 225**  
**Largest Local Secured Taxpayers**

	<i>Property Owner</i>	<i>Primary Land Use</i>	<i>Fiscal Year 2024 Assessed Valuation</i>	<i>% of Total<sup>(1)</sup></i>
1.	Barranca Properties LLC	Commercial	\$ 240,000,000	0.47%
2.	The Irvine Company	Commercial	206,602,717	0.41
3.	Alton Parkway Operating Company LLC	Commercial	172,243,840	0.34
4.	Five Point Office Venture	Commercial	149,928,436	0.30
5.	Heritage Fields El Toro LLC	Commercial	140,931,432	0.28
6.	Centerpoint Properties Trust	Commercial	120,885,533	0.24
7.	Amazon.com Services LLC	Industrial	116,696,124	0.23
8.	SP One LLC	Commercial	112,273,440	0.22
9.	Sand Canyon Business Center LLC	Commercial	93,103,344	0.18
10.	Alton Parkway Office Campus LLC	Industrial	<u>86,700,000</u>	<u>0.17</u>
	TOTAL		<u>\$ 1,439,364,866</u>	2.84%

<sup>(1)</sup> Fiscal Year 2024 Local Secured Assessed Valuation (Land Only): \$50,595,397,452.  
Source: California Municipal Statistics, Inc.

**Statement of Direct and Overlapping Debt.** Set forth in the table below is a direct and overlapping debt report (the “**Debt Reports–I.D. 125/225**”) for Improvement District Nos. 125 and 225, respectively, prepared by California Municipal Statistics, Inc. and effective December 31, 2023. The Debt Reports–I.D. 125/225 were prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Reports–I.D. 125/225 generally include long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 125 and No. 225 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 125 and No. 225 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 125 and No. 225. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

**TABLE 39**  
**IRVINE RANCH WATER DISTRICT**  
**Improvement District No. 125**  
**Direct and Overlapping Debt Statement**

Fiscal Year 2024 Land Only Assessed Valuation: \$58,826,902,804

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable<sup>(1)</sup></u>	<u>Debt 12/31/23</u>
Metropolitan Water District	2.696%	\$ 518,036
Coast Community College District	5.172	45,873,369
Rancho Santiago Community College District	0.942	1,453,284
Irvine Unified School District School Facilities Improvement District No. 1	46.160	97,663,020
Laguna Beach Unified School District	14.442	1,435,535
Newport Mesa Unified School District	13.331	28,794,245
Orange Unified School District	2.034	5,619,840
Saddleback Valley Unified School District	36.815	31,924,127
Tustin Unified School District School Facilities Improvement District No. 2002-1	3.226	1,224,428
Tustin Unified School District School Facilities Improvement District No. 2008-1	3.312	2,418,754
Tustin Unified School District School Facilities Improvement District No. 2012-1	29.998	14,100,560
<b>Irvine Ranch Water District Improvement District No. 125</b>	<b>100.000</b>	<b>160,777,059<sup>(2)</sup></b>
Irvine Ranch Water District Improvement District Nos. 153/253	99.996	18,645,106
Irvine Ranch Water District Improvement District Nos. 185/285	100.000	3,160,530
Irvine Ranch Water District Improvement District No. 225	96.569	221,297,276
Irvine Ranch Water District Improvement District No. 240	99.541	13,102,446
Community Facilities Districts	75.370-100.000	710,339,318
County 1915 Act Bonds	100.000	19,270,000
City 1915 Act Bonds	Various	<u>542,514,118</u>
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$1,920,131,051</b>
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Orange County General Fund Obligations	13.552%	\$ 61,141,881
Orange County Board of Education Certificates of Participation	13.552	1,471,747
Coast Community College District General Fund Obligations/Pension Obligation Bonds	5.172	114,043
Orange Unified School District Certificates of Participation/Benefit Obligation Bonds	2.034	1,406,212
City of Irvine General Fund Obligations	59.727	194,877,256
City of Newport Beach Certificates of Participation	21.733	20,325,788
City of Orange General Fund Obligations/Pension Obligation Bonds	3.362	<u>9,983,795</u>
<b>TOTAL OVERLAPPING GENERAL FUND DEBT</b>		<b>\$ 289,320,722</b>
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies)</u>		 <b>\$ 1,396,605</b>
 <u>COMBINED TOTAL DEBT</u>		 <b>\$2,210,848,378<sup>(3)</sup></b>

Ratios to Fiscal Year 2024 Land Only Assessed Valuation:

**Direct Debt (\$160,777,059) .....0.27%**  
 Total Direct and Overlapping Tax and Assessment Debt.....3.26%

Ratios to Adjusted All Property Assessed Valuation:

Combined Total Debt .....2.12%

Ratios to Redevelopment Incremental Valuation (\$1,260,042,415):

Total Overlapping Tax Increment Debt.....0.11%

<sup>(1)</sup> Based on all property assessed valuation of \$104,336,760,497.

<sup>(2)</sup> Improvement District No. 125 was formed by consolidating former Improvement District Nos. 105, 106, 102, 121, 130, 135, 140, 161, 182, 184 and 186.

<sup>(3)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

**TABLE 40**  
**IRVINE RANCH WATER DISTRICT**  
**Improvement District No. 225**  
**Direct and Overlapping Debt Statement**

Fiscal Year 2024 Land Only Assessed Valuation: \$50,684,289,211

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable<sup>(1)</sup></u>	<u>Debt 12/31/23</u>
Metropolitan Water District	2.375%	\$ 456,356
Coast Community College District	0.263	2,332,695
Rancho Santiago Community College District	0.016	24,684
Irvine Unified School District School Facilities Improvement District No. 1	51.944	109,900,518
Newport Mesa Unified School District	2.608	5,633,140
Orange Unified School District	0.035	96,703
Saddleback Valley Unified School District	36.815	31,924,127
Tustin Unified School District School Facilities Improvement District No. 2002-1	5.023	1,906,480
Tustin Unified School District School Facilities Improvement District No. 2008-1	5.157	3,766,157
Tustin Unified School District School Facilities Improvement District No. 2012-1	31.330	14,724,786
Irvine Ranch Water District Improvement District No. 125	85.065	136,765,005
Irvine Ranch Water District Improvement District No. 153/253	99.996	18,645,106
Irvine Ranch Water District Improvement District No. 185/285	100.000	3,160,530
<b>Irvine Ranch Water District Improvement District No. 225</b>	<b>100.000</b>	<b>229,159,747<sup>(2)</sup></b>
Community Facilities Districts	7.370-100.000	704,056,556
City 1915 Act Bonds	Various	541,876,174
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$1,804,428,764</b>

<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Orange County General Fund Obligations	11.937%	\$ 53,855,566
Orange County Board of Education Certificates of Participation	11.937	1,296,358
Coast Community College District General Fund Obligations/Pension Obligation Bonds	0.263	5,799
Orange Unified School District Certificates of Participation/Benefit Obligation Bonds	0.038	24,198
City of Irvine General Fund Obligations	61.710	201,347,388
City of Newport Beach Certificates of Participation	3.233	3,023,663
City of Orange General Fund Obligations/Pension Obligation Bonds	0.028	83,149
<b>TOTAL OVERLAPPING GENERAL FUND DEBT</b>		<b>\$ 259,636,121</b>

OVERLAPPING TAX INCREMENT DEBT (Successor Agencies) \$ 1,396,605

COMBINED TOTAL DEBT \$2,065,461,490<sup>(3)</sup>

Ratios to Fiscal Year 2024 Land Only Assessed Valuation:  
**Direct Debt (\$229,159,747) .....0.45%**  
 Total Direct and Overlapping Tax and Assessment Debt.....3.56%

Ratios to Adjusted All Property Assessed Valuation:  
 Combined Total Debt.....2.25%

Ratios to Redevelopment Incremental Valuation (\$1,260,042,415):  
 Total Overlapping Tax Increment Debt.....0.11%

(1) Based on all property assessed valuation of \$91,907,058,836.  
 (2) Improvement District No. 225 was formed by consolidating former Improvement District Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286.  
 (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

**Improvement District Nos. 113 and 213**

*General.* Improvement District No. 113 (water) and Improvement District No. 213 (sewer) are coterminous and are located in portions of the Cities of Tustin and Irvine, California. Improvement District No. 113 and Improvement District No. 213 are comprised of approximately 1,629 acres of the land formerly known as Marine Corps Air Station Tustin. The boundaries of Improvement District No. 113 and Improvement District No. 213 are Harvard Avenue on the southeast, Barranca Parkway on the southwest, Red Hill Avenue on the northwest and Edinger Avenue on the northeast. The former helicopter base, now known as Tustin Legacy, is currently being redeveloped with residential, commercial, institutional and recreational uses. The District expects development in Improvement District No. 113 and Improvement District No. 213 to continue through 2025. The District expects that the development will consist of approximately 7,200 dwelling units and approximately 9,700,000 square feet of commercial, institutional and recreational uses when completed.

The *ad valorem* assessments levied by the District in Improvement District Nos. 113 and 213 to pay such Improvement Districts’ respective Included Amounts of debt service on the Series 2011A Bonds will be levied on land only. See Table 3 under the caption “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness” for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 113 and 213 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District No. 113 and Improvement District No. 213 for the current and previous four Fiscal Years.

**TABLE 41**  
**IRVINE RANCH WATER DISTRICT**  
**Improvement District Nos. 113 and 213**  
**Assessed Valuations (Land Only)**

<i>Fiscal Year</i>	<i>Local Secured</i>	<i>Unsecured</i> <sup>(1)</sup>	<i>Total</i>
2020	\$1,186,307,161	\$ 145,009	\$1,186,452,170
2021	1,265,220,518	17,890,475	1,283,110,993
2022	1,334,069,673	0	1,334,069,673
2023	1,408,807,895	0	1,408,807,895
2024	1,573,321,340	15,325,188	1,588,646,528

<sup>(1)</sup> Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.  
 Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 113 and Improvement District No. 213 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2024:

**TABLE 42**  
**IRVINE RANCH WATER DISTRICT**  
**Improvement District Nos. 113 and 213**  
**Assessed Valuation and Parcels by Land Use**

	<i>Fiscal Year 2024 Assessed Valuation<sup>(1)</sup></i>	<i>% of Total</i>	<i>No. of Parcels</i>	<i>% of Total</i>
<b>Non-Residential:</b>				
Commercial	\$ 188,984,183	12.01%	44	1.18%
Government/Social/Institutional	<u>0</u>	<u>0.00</u>	<u>171</u>	<u>4.59</u>
Subtotal Non-Residential	\$ 188,984,183	12.01%	215	5.77%
<b>Residential:</b>				
Single Family Residence	\$ 759,543,724	48.28%	1,489	39.96%
Condominium/Townhouse	526,301,896	33.45	1,555	41.73
Apartments	36,961,268	2.35	3	0.08
Vacant Residential	<u>61,530,269</u>	<u>3.91</u>	<u>464</u>	<u>12.45</u>
Subtotal Residential	\$ 1,384,337,157	87.99%	3,511	94.23%
<b>Total</b>	<u>\$ 1,573,321,340</u>	<u>100.00%</u>	<u>3,726</u>	<u>100.00%</u>

<sup>(1)</sup> Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).

Source: California Municipal Statistics, Inc.

The following table lists the major taxpayers in Improvement District No. 113 and Improvement District No. 213 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2024:

**TABLE 43**  
**IRVINE RANCH WATER DISTRICT**  
**Improvement District Nos. 113 and 213**  
**Largest Local Secured Taxpayers**

	<i>Property Owner</i>	<i>Primary Land Use</i>	<i>Fiscal Year 2024 Assessed Valuation</i>	<i>% of Total<sup>(1)</sup></i>
1.	Vestar/Kimco Tustin LP	Commercial	\$ 86,965,102	5.53%
2.	Brookfield Tustin Homes LLC	Residential Development	48,511,733	3.08
3.	Legacy Villas LLC	Apartments	36,961,268	2.35
4.	Flight Phase I Owner LLC	Office Development	33,483,662	2.13
5.	Costco Wholesale Corporation	Commercial	17,871,716	1.14
6.	1C Tustin Legacy LLC	Commercial	16,975,930	1.08
7.	Lowes HIW Inc.	Commercial	12,688,531	0.81
8.	Hoag Memorial Hospital Presbyterian	Commercial	9,547,216	0.61
9.	Healthsouth Corporation	Commercial	6,202,811	0.39
10.	2C Tustin Legacy LLC	Commercial	<u>3,002,404</u>	<u>0.19</u>
	<b>TOTAL</b>		<u>\$ 272,210,373</u>	<u>17.30%</u>

<sup>(1)</sup> Fiscal Year 2024 Local Secured Assessed Valuation (Land Only): \$1,573,321,340.

Source: California Municipal Statistics, Inc.

***Statement of Direct and Overlapping Debt.*** Set forth in the table below is a direct and overlapping debt report (the “**Debt Report–I.D. 113/213**”) for Improvement District No. 113 and Improvement District No. 213 prepared by California Municipal Statistics, Inc. and effective December 31, 2023. The Debt Report–I.D. 113/213 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 113/213 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 113 and Improvement District No. 213 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 113 and Improvement District No. 213 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 113 and Improvement District No. 213. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

**TABLE 44**  
**IRVINE RANCH WATER DISTRICT**  
**Improvement District Nos. 113 and 213**  
**Direct and Overlapping Debt Statement**

Fiscal Year 2024 Land Only Assessed Valuation: \$1,588,646,528

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable<sup>(1)</sup></u>	<u>Debt 12/31/23</u>
Metropolitan Water District	0.083%	\$ 15,948
Rancho Santiago Community College District	0.147	226,786
Rancho Santiago Community College District School Facilities Improvement District No. 1	0.276	399,551
Irvine Unified School District School Facilities Improvement District	2.897	6,129,328
Santa Ana Unified School District	0.340	1,394,087
Tustin Unified School District School Facilities Improvement District No. 2002-1	8.263	3,136,222
Tustin Unified School District School Facilities Improvement District No. 2008-1	5.868	4,285,400
Tustin Unified School District School Facilities Improvement District No. 2012-1	4.222	1,984,551
Tustin Unified School District Community Facilities District No. 06-1	100.000	12,570,000
City of Irvine Community Facilities District No. 2005-2	99.263	11,008,267
<b>Irvine Ranch Water District Improvement District No. 113</b>	<b>100.000</b>	<b>12,740,804</b>
<b>Irvine Ranch Water District Improvement District No. 213</b>	<b>100.000</b>	<b>19,689,491</b>
City of Tustin Community Facilities District Nos. 04-1, 06-1 and 07-1	56.194-100.000	83,991,065
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$157,571,500</b>
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Orange County General Fund Obligations	0.419%	\$ 1,890,381
Orange County Board of Education Certificates of Participation	0.419	45,503
Santa Ana Unified School District Certificates of Participation	0.340	147,914
City of Irvine General Fund Obligations	0.336	1,096,301
<b>TOTAL OVERLAPPING GENERAL FUND DEBT</b>		<b>\$ 3,180,099</b>
 <u>OVERLAPPING TAX INCREMENT DEBT</u>		
Successor Agency to Tustin Redevelopment Agency	57.163%	\$ 23,911,283
<b>TOTAL OVERLAPPING TAX INCREMENT DEBT</b>		<b>\$ 23,911,283</b>
 <b>COMBINED TOTAL DEBT</b>		 <b>\$184,662,882<sup>(2)</sup></b>

Ratios to Fiscal Year 2024 Land Only Assessed Valuation:

**Direct Debt (\$32,430,295).....2.04%**  
Total Direct and Overlapping Tax and Assessment Debt.....9.92%

Ratios to Adjusted All Property Assessed Valuation:

Combined Total Debt .....5.73%

Ratios to Redevelopment Incremental Valuation (\$1,239,162,420):

Overlapping Tax Increment Debt .....1.93%

<sup>(1)</sup> Based on all property assessed valuation of \$3,224,207,647

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.



## CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES

### Proposition 218

**General.** An initiative measure entitled the “Right to Vote on Taxes Act” (the “**Initiative**”) was approved by the voters of the State of California at the November 5, 1996 general election. The Initiative added Article XIIC and Article XIID to the California Constitution. According to the “Title and Summary” of the Initiative prepared by the California Attorney General, the Initiative limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.”

**Article XIID.** Article XIID defines the terms “fee” and “charge” to mean “any levy other than an *ad valorem* tax, a special tax or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service.” A “property-related service” is defined as “a public service having a direct relationship to property ownership.” Article XIID further provides that reliance by an agency on any parcel map (including an assessor’s parcel map) may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership.

Article XIID requires that any agency imposing or increasing any property-related fee or charge must provide written notice thereof to the record owner of each identified parcel upon which such fee or charge is to be imposed and must conduct a public hearing with respect thereto. The proposed fee or charge may not be imposed or increased if a majority of owners of the identified parcels file written protests against it.

In July 2006, the California Supreme Court held, in *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal. 4th 205 (2006) (“**Bighorn**”), that the initiative power described in Article XIIC applies to any local taxes, assessments, fees and charges as defined in Articles XIIC and XIID. Article XIID defines “fee” or “charge” to mean a levy (other than *ad valorem* or special taxes or assessments) imposed by a local government “upon a parcel or upon a person as an incident of property ownership,” including a user fee for a “property related service.” The Court also found that charges for water delivery are charges for a property-related service and, therefore, constitute “fees” or “charges” within the meaning of both Article XIID and section 3 of Article XIIC. In accordance with Article XIID and the decision in *Bighorn*, the District has conducted notice and hearing proceedings to comply with requirements of Article XIID with respect to proposed increases of rates and charges since Fiscal Year 2007. See the captions “THE WATER SYSTEM—Water System Rates and Charges” and “THE SEWER SYSTEM—Sewer System Rates and Charges.”

On April 20, 2015, the California Court of Appeal, Fourth District, issued an opinion in *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano*, 235 Cal. App. 4th 1493 (2015) (“**SJC**”) upholding tiered water rates under Proposition 218 provided that the rates correspond to the actual cost of furnishing service at a given level of usage. The opinion included a finding that the City of San Juan Capistrano did not attempt to calculate the actual costs of providing water at various tier levels. The District’s tiered water rates are described under the caption “THE WATER SYSTEM—Water System Rates and Charges.” The District does not currently expect the *SJC* ruling to affect its water rate structure or have a material adverse effect on its financial condition.

**Article XIIC.** Article XIIC provides that the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge and that the power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments. Article XIIC does not define the terms “local tax,” “assessment,” “fee” or “charge.” In light of *Bighorn* and as discussed above under the caption “—Article XIID,” the terms “fee” and “charge” as used in Article XIIC include, at a minimum, all of the fees and charges within the “property related” qualification set forth in Article XIID. Moreover, the provisions of Article XIIC are not expressly limited to local taxes, assessments, fees and charges imposed after November 6, 1996. Therefore, in the absence of other limitations, provisions of Article XIIC could be applicable to the water and sewer rates charged by the District.

On August 3, 2020, the State Supreme Court issued an opinion in *Wilde v. City of Dunsmuir* (2020) 9 Cal. 5th 1105) holding that the taxation exemption from the State Constitution’s referendum process applies to measures setting water rates, and that the Initiative does not subject water rates to challenge by referendum. The District and its general counsel do not believe that current applicable case law interpreting Article XIII C grants to the voters within the District the power to repeal or reduce rates and charges in a manner which would be inconsistent with the contractual obligations of the District. However, there can be no assurance of the availability of particular remedies adequate to protect the beneficial owners of the Series 2011A Bonds. Remedies available to beneficial owners of the Series 2011A Bonds in the event of a default by the District are dependent upon judicial actions which are often subject to discretion and delay and could prove both expensive and time-consuming to obtain.

### **Proposition 26**

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIII C of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity. The District does not believe that the enactment of Proposition 26 has affected its ability to levy rates and charges for water, recycled water or sewer service.

### **Article XIII A**

**General.** On June 6, 1978, California voters approved Proposition 13, which added Article XIII A to the California Constitution (“**Article XIII A**”). Article XIII A limits the amount of any *ad valorem* tax on real property to one percent of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and (as a result of an amendment to Article XIII A approved by California voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property that has been approved on or after July 1, 1978 by the voters voting on such indebtedness. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975/76 tax bill under ‘full cash value’ or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” This full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

**Legislation Implementing Article XIII A.** Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by each California county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon the location of reappraised property and the value of property within each taxing agency. Any such allocation made to a local agency continues as part of its allocation in future years.

### **Article XIII B**

An initiative to amend the California Constitution entitled “Limitation of Government Appropriations” was approved on November 6, 1979 thereby adding Article XIII B to the California Constitution (“**Article XIII B**”). Under Article XIII B state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain moneys that are called “appropriations subject to limitation” (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriations of moneys that are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

The District is of the opinion that its rates and charges for water, sewer and recycled water services do not exceed the costs it reasonably bears in providing such services and therefore are not subject to the limits of Article XIII B, and that tax revenues and other revenues received by the District which may constitute the “proceeds of taxes” are appropriated for debt service or qualified capital outlay projects and are not subject to

### **Future Initiatives**

**General.** Article XIII A, Article XIII B, Proposition 218 and Proposition 26 were each adopted as measures that qualified for the ballot pursuant to California’s initiative process. From time to time other initiative measures (including the measure that is described below under the subcaption “—Initiative 1935”) could be adopted, further affecting ability of the District to collect or expend Revenues.

**Initiative 1935.** On February 1, 2023, the California Secretary of State announced that a ballot initiative, designated as Initiative 1935 and referred to by its proponents as the “Taxpayer Protection and Government Accountability Act,” had received the required number of signatures to appear on the November 5, 2024 ballot.

If approved by the voters casting a ballot at the November 5, 2024 statewide election, Initiative 1935 would make numerous significant changes to Articles XIII, XIII A, XIII C and XIII D of the California Constitution to further limit the authority of local governments, and electors via the initiative process, to adopt and impose taxes and fees. The full text of Initiative 1935 may be viewed at the website of the California Attorney General.

Among other things:

- Initiative 1935 would amend Article XIII C to state that every levy, charge or exaction of any kind imposed by local law is either a “tax” or an “exempt charge,” and would amend the definition of “tax” added to Article XIII C by Proposition 26 to state that “every levy, charge, or exaction of any kind imposed by a

local law that is not an “exempt charge” constitutes a tax. Initiative 1935 narrows the definition of “exempt charge” to mean a “reasonable charge for a specific local government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the *actual costs* [as opposed to the reasonable costs] to the local government of providing the service or product to the payor.” “Exempt charges” also encompass existing exceptions from the definition of “tax” added to Article XIIC by Proposition 26. “Actual costs” is defined in Initiative 1935 to mean “the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor ... where the amount charged is not used by the government for any purpose other than reimbursing that cost. In computing “actual cost” the maximum amount that may be imposed is the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product.” Initiative 1935 would retain an exemption from the definition of “tax” for assessments, fees or charges which are subject to Article XIID.

- Initiative 1935 would amend Article XIIC to state that only the governing body of a local government, or an elector acting pursuant to the initiative power, has the authority to impose an exempt charge, and that exempt charges must be imposed by an ordinance specifying the type of exempt charge and the amount or rate of the exempt charge to be imposed, and passed by the governing body, other than for certain exempt charges imposed for a specific health care service. In addition, Initiative 1935 would amend Article XIIC to prohibit any amendment to a municipal charter which provides for the imposition, extension or increase of a tax or exempt charge from being submitted to or approved by the electors.

- Initiative 1935 would amend Article XIIC to require the title, summary and ballot label or questions for a measure providing for the imposition of a tax to include: (a) the type and amount or rate of the tax; (b) the duration of the tax; and (c) the use of the revenue derived from the tax; and (d) if the proposed tax is a general tax, the phrase “for general government use.” In addition, no advisory measure may appear on the same ballot that would indicate that the revenue from the general tax will, could or should be used for specific purposes.

- Initiative 1935 would amend Article XIIC to require that any special tax, whether proposed by the governing body or by an elector, be approved by a two-thirds vote of the electorate.

- Initiative 1935 would amend Article XIIC to state that the local government bears the burden of proving by *clear and convincing evidence* (as opposed to a preponderance of the evidence) that: (a) a levy, charge or exaction is an exempt charge and not a tax; and (b) the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor.

- Initiative 1935 would amend Article XIIC to state that any tax or exempt charge adopted after January 1, 2022, but prior to the effective date of Initiative 1935, which was not adopted in compliance with the requirements thereof is void 12 months after the effective date of Initiative 1935, if adopted, unless the tax or exempt charge is reenacted in compliance with the provisions of Initiative 1935.

The District cannot predict whether Initiative 1935 will be approved by a majority of voters casting a ballot at the November 5, 2024 statewide election. If Initiative 1935 is approved, the District cannot provide any assurances as to the effect of the implementation or judicial interpretations of Initiative 1935 on the finances of the State or the District.

In September 2023, California Governor Gavin Newsom filed an Emergency Petition For Writ Of Mandate with the California Supreme Court arguing that Initiative 1935 is an unlawful attempt to revise the California Constitution and would impede the government’s ability to provide the essential functions of government. The Writ seeks the removal of Initiative 1935 from the November 2024 statewide general election. There can be no assurance as to the timing of any California Supreme Court decision with respect to the Writ.

**AMENDMENT NO. 1 TO REMARKETING AGREEMENT**

This AMENDMENT NO. 1 TO REMARKETING AGREEMENT (this “**Amendment**”) is executed and entered into on January 29, 2024, by and between Irvine Ranch Water District (the “**District**”) and Goldman Sachs & Co. LLC, as remarketing agent (the “**Remarketing Agent**”).

**RECITALS**

A. On April 15, 2011, the District issued its Bonds of Irvine Ranch Water District Refunding Series 2011A-1 (the “**2011A-1 Bonds**”) pursuant to an Indenture of Trust, dated as of April 1, 2011 (the “**Indenture**”), by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee.

B. In connection with the issuance of the 2011A-1 Bonds, the District entered into a Remarketing Agreement, dated as of April 1, 2011 (the “**Original Remarketing Agreement**”), with the Remarketing Agent, as remarketing agent thereunder.

C. The 2011A-1 Bonds were initially issued in the Index Mode.

D. The District desires to convert the 2011A-1 Bonds to the Daily Mode effective as of February 8, 2024 (the “**Conversion Date**”), and the Remarketing Agent desires to continue to perform the duties of the remarketing agent under the Original Remarketing Agreement while the 2011A-1 Bonds are in the Daily Mode.

E. The District and the Remarketing Agent desire to amend the Original Remarketing Agreement: (i) to establish the fee payable to the Remarketing Agent while the 2011A-1 Bonds are in the Daily Mode and the Weekly Mode; and (ii) to add certain provisions required by rules adopted by the Municipal Securities Rulemaking Board (the “**MSRB**”) since the date of the Original Remarketing Agreement.

F. All acts, conditions and things that are required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entry into of this Amendment do exist, have happened and been performed, and the parties hereto are duly authorized to execute and enter into this Amendment.

In consideration of the foregoing, the parties hereto agree as follows:

**ARTICLE I**

**DEFINITIONS AND AUTHORIZATION**

**Section 1.1. Definitions and Rules of Construction.** Unless the context otherwise requires, the capitalized terms that are used herein but not defined shall, for all purposes of this Amendment, have the meanings that are specified in the Indenture and the Original Remarketing Agreement, together with any amendments thereof or supplements thereto which are permitted to be made thereunder. Unless the context otherwise indicates, words importing the singular number include the plural number and vice versa. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Amendment, refer to the Amendment as a whole.

**Section 1.2. Authorization for Amendment.** This Amendment is entered into in accordance with Sections 10 and 18 of the Original Remarketing Agreement.

**Section 1.3. Remarketing Statement.** In accordance with Section 3 of the Original Remarketing Agreement, the District represents that the Remarketing Statement dated January 29, 2024 (the “**Remarketing Statement**”) prepared in connection with the conversion of the 2011A-1 Bonds to the Daily Mode, both on the date thereof and on the Conversion Date, does not and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make such statements therein, in light of the circumstances under which they were made, not misleading.

## ARTICLE II

### AMENDMENT TO ORIGINAL REMARKETING AGREEMENT

**Section 2.1. Establishment of Remarketing Fees.** Effective on the Conversion Date, the Remarketing Agent shall continue to perform the duties of the remarketing agent as set forth in the Indenture and the Original Remarketing Agreement. In accordance with Section 10 of the Original Remarketing Agreement, the Remarketing Agent’s fees shall be calculated in respect of the aggregate principal amount of the 2011A-1 Bonds outstanding at the time of payment, on the basis of a 365 or 366 day year and the actual days elapsed in any period, as follows: (i) 7 basis points per annum while the 2011A-1 Bonds are in the Daily Mode; and (ii) 7 basis points per annum in the event that the 2011A-1 Bonds are converted to the Weekly Mode. The fee will be billed quarterly in arrears on or about January 1, April 1, July 1 and October 1 of each year, and paid by the District as soon as practicable upon receipt of the invoice. The District also agrees to pay the reasonable out-of-pocket expenses of the Remarketing Agent (including, without limitation, the reasonable fees and disbursements of its counsel) incurred in connection with the performance of its obligations under the Indenture and the Original Remarketing Agreement, as amended.

**Section 2.2. Dealing in Bonds by Remarketing Agent.** The following is added at the end of Section 11 of the Original Remarketing Agreement:

“The Remarketing Agent may sell any 2011A-1 Bonds which it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others.”

**Section 2.3 No Advisory or Fiduciary Role.** The following is added to the Original Remarketing Agreement as a new Section 23:

“SECTION 23. No Advisory or Fiduciary Role. The District and the Remarketing Agent acknowledge and agree that: (i) the transactions contemplated by this Remarketing Agreement are arm’s length, commercial transactions between the District and the Remarketing Agent in which the Remarketing Agent is acting solely as a principal or agent, as applicable, and is not acting as a municipal advisor, financial advisor or fiduciary to the District; (ii) the Remarketing Agent has not assumed any advisory or fiduciary responsibility to the District or any other party with respect to the transactions

contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Remarketing Agent or its affiliates have provided other services or are currently providing other services to the District on other matters) or other contractual, advisory or fiduciary obligations to the District related to this Remarketing Agreement except the contractual obligations expressly set forth in this Remarketing Agreement; and (iii) the District and the Remarketing Agent have each consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.”

**Section 2.3. MSRB Rule G-34 Compliance.** The following is added to the Original Remarketing Agreement as a new Section 24:

“SECTION 24. MSRB Rule G-34 Compliance.

(a) To assist the Remarketing Agent in complying with its obligations under MSRB Rule G-34(c), the District shall provide the following to the Remarketing Agent by electronic means in a word-searchable PDF file (or in such other form as the Remarketing Agent shall notify the District in writing) labeled with the following information: (I) CUSIP number; (II) name of District; (III) name of transaction; (IV) name of document; and (V) whether the document is an execution version or a redacted version:

(i) on the effective date of this Remarketing Agreement, a copy of the Remarketing Statement, the Letter of Credit Reimbursement Agreement, dated as of February 1, 2024, by and between the District and Bank of America, N.A. and any other documents containing information required to be filed with the MSRB pursuant to Rule G-34 (each, a “**Rule G-34 Document**”);

(ii) no later than ten Business Days prior to the proposed date of any amendment, extension, renewal, replacement or termination of any of the then-current Rule G-34 Documents, written notice that such document is proposed to be amended, extended, renewed, replaced or terminated, as the case may be, and the expected date of execution and delivery of such amendment, extension, renewal, replacement or termination, as the case may be;

(iii) within one Business Day after the execution and delivery of any amendment, extension, renewal, replacement or termination, as the case may be, of any of the then-current Rule G-34 Documents, a copy thereof; and

(iv) no later than three Business Days after receiving a request from the Remarketing Agent for any Rule G-34 Document, a copy thereof.

(b) In each instance that Rule G-34 Documents are delivered to the Remarketing Agent pursuant to this Section 24, the District shall provide: (1) a clean final execution copy of each relevant document; and (2) in any such document where any redactions are made: (I) a redacted final execution copy of document; and (II) a file containing a list showing all redactions that have been made to such document.

(c) If the District determines that any information in the Rule G-34 Documents is confidential or proprietary, the District shall make any appropriate redactions in compliance with Rule G-34(c). The District acknowledges that, unless mutually agreed upon in writing by the District and the Remarketing Agent, the Remarketing Agent will not redact G-34 Documents relating to the 2011A-1 Bonds.

(d) In the event that an District does not provide the Remarketing Agent with a copy of a document described in subsection (a) above, the Remarketing Agent may file a notice with the MSRB's Short-term Obligation Rate Transparency System (the "**SHORT System**") that such document will not be provided at such time as is specified by the MSRB and in the SHORT System Users Manual.

(e) The District will hold harmless the Remarketing Agent with respect to any information that made public when the Remarketing Agent files the Rule G-34 Documents with the SHORT System.

(f) If there are any additions, amendments or modifications to the securities laws or regulations with which the Remarketing Agent must comply, the District shall take all steps reasonably requested by the Remarketing Agent or its counsel necessary to comply with such additional requirements.

(g) The District shall reimburse the Remarketing Agent for any costs incurred in connection with compliance with Rule G-34 including, but not limited to, fees charged by the Trustee or other parties supplying missing documents.

**Section 2.4 Conflicts.** The first sentence of Section 16 of the Original Remarketing Agreement is hereby deleted.

### ARTICLE III

#### MISCELLANEOUS

**Section 3.1. Effect of Amendment.** This Amendment shall be effective on January 29, 2024. As of such date, all of the terms and provisions that are contained in this Amendment shall form part of the Original Remarketing Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Original Remarketing Agreement. The Original Remarketing Agreement is hereby ratified and confirmed, and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented hereby. If there



shall be any conflict between the terms of this Amendment and the terms of the Original Remarketing Agreement (as in effect on the day prior to the effective date of this Amendment), the terms of this Amendment shall prevail.

**Section 3.2. Binding Effect.** This Amendment shall inure to the benefit of and shall be binding upon the District and the Remarketing Agent and their respective successors and assigns.

**Section 3.3. Severability.** In the event that any provision of this Amendment shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

**Section 3.4. Execution in Counterparts.** This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

**Section 3.5. Electronic Signatures.** The District and the Remarketing Agent hereby agree that the execution and delivery of this Amendment and any and all agreements, documents, certificates and instruments related hereto may be accomplished with electronic signatures under the California Uniform Electronic Transactions Act and digital signatures under Section 16.5 of the California Government Code using DocuSign.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Remarketing Agreement effective the date first above written.

**IRVINE RANCH WATER DISTRICT**

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

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

**GOLDMAN SACHS & CO. LLC,**  
as Remarketing Agent

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

**AMENDMENT NO. 1 TO REMARKETING AGREEMENT**

This AMENDMENT NO. 1 TO REMARKETING AGREEMENT (this “**Amendment**”) is executed and entered into on January 29, 2024, by and between Irvine Ranch Water District (the “**District**”) and Goldman Sachs & Co. LLC, as remarketing agent (the “**Remarketing Agent**”).

**RECITALS**

A. On April 15, 2011, the District issued its Bonds of Irvine Ranch Water District Refunding Series 2011A-2 (the “**2011A-2 Bonds**”) pursuant to an Indenture of Trust, dated as of April 1, 2011 (the “**Indenture**”), by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee.

B. In connection with the issuance of the 2011A-2 Bonds, the District entered into a Remarketing Agreement, dated as of April 1, 2011 (the “**Original Remarketing Agreement**”), with the Remarketing Agent, as remarketing agent thereunder.

C. The 2011A-2 Bonds were initially issued in the Index Mode.

D. The District desires to convert the 2011A-2 Bonds to the Daily Mode effective as of February 8, 2024 (the “**Conversion Date**”), and the Remarketing Agent desires to continue to perform the duties of the remarketing agent under the Original Remarketing Agreement while the 2011A-2 Bonds are in the Daily Mode.

E. The District and the Remarketing Agent desire to amend the Original Remarketing Agreement: (i) to establish the fee payable to the Remarketing Agent while the 2011A-2 Bonds are in the Daily Mode and the Weekly Mode; and (ii) to add certain provisions required by rules adopted by the Municipal Securities Rulemaking Board (the “**MSRB**”) since the date of the Original Remarketing Agreement.

F. All acts, conditions and things that are required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entry into of this Amendment do exist, have happened and been performed, and the parties hereto are duly authorized to execute and enter into this Amendment.

In consideration of the foregoing, the parties hereto agree as follows:

**ARTICLE I**

**DEFINITIONS AND AUTHORIZATION**

**Section 1.1. Definitions and Rules of Construction.** Unless the context otherwise requires, the capitalized terms that are used herein but not defined shall, for all purposes of this Amendment, have the meanings that are specified in the Indenture and the Original Remarketing Agreement, together with any amendments thereof or supplements thereto which are permitted to be made thereunder. Unless the context otherwise indicates, words importing the singular number include the plural number and vice versa. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Amendment, refer to the Amendment as a whole.

**Section 1.2. Authorization for Amendment.** This Amendment is entered into in accordance with Sections 10 and 18 of the Original Remarketing Agreement.

**Section 1.3. Remarketing Statement.** In accordance with Section 3 of the Original Remarketing Agreement, the District represents that the Remarketing Statement dated January 29, 2024 (the “**Remarketing Statement**”) prepared in connection with the conversion of the 2011A-2 Bonds to the Daily Mode, both on the date thereof and on the Conversion Date, does not and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make such statements therein, in light of the circumstances under which they were made, not misleading.

## ARTICLE II

### AMENDMENT TO ORIGINAL REMARKETING AGREEMENT

**Section 2.1. Establishment of Remarketing Fees.** Effective on the Conversion Date, the Remarketing Agent shall continue to perform the duties of the remarketing agent as set forth in the Indenture and the Original Remarketing Agreement. In accordance with Section 10 of the Original Remarketing Agreement, the Remarketing Agent’s fees shall be calculated in respect of the aggregate principal amount of the 2011A-2 Bonds outstanding at the time of payment, on the basis of a 365 or 366 day year and the actual days elapsed in any period, as follows: (i) 7 basis points per annum while the 2011A-2 Bonds are in the Daily Mode; and (ii) 7 basis points per annum in the event that the 2011A-2 Bonds are converted to the Weekly Mode. The fee will be billed quarterly in arrears on or about January 1, April 1, July 1 and October 1 of each year, and paid by the District as soon as practicable upon receipt of the invoice. The District also agrees to pay the reasonable out-of-pocket expenses of the Remarketing Agent (including, without limitation, the reasonable fees and disbursements of its counsel) incurred in connection with the performance of its obligations under the Indenture and the Original Remarketing Agreement, as amended.

**Section 2.2. Dealing in Bonds by Remarketing Agent.** The following is added at the end of Section 11 of the Original Remarketing Agreement:

“The Remarketing Agent may sell any 2011A-2 Bonds which it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others.”

**Section 2.3 No Advisory or Fiduciary Role.** The following is added to the Original Remarketing Agreement as a new Section 23:

“SECTION 23. No Advisory or Fiduciary Role. The District and the Remarketing Agent acknowledge and agree that: (i) the transactions contemplated by this Remarketing Agreement are arm’s length, commercial transactions between the District and the Remarketing Agent in which the Remarketing Agent is acting solely as a principal or agent, as applicable, and is not acting as a municipal advisor, financial advisor or fiduciary to the District; (ii) the Remarketing Agent has not assumed any advisory or fiduciary responsibility to the District or any other party with respect to the transactions

contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Remarketing Agent or its affiliates have provided other services or are currently providing other services to the District on other matters) or other contractual, advisory or fiduciary obligations to the District related to this Remarketing Agreement except the contractual obligations expressly set forth in this Remarketing Agreement; and (iii) the District and the Remarketing Agent have each consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.”

**Section 2.3. MSRB Rule G-34 Compliance.** The following is added to the Original Remarketing Agreement as a new Section 24:

“SECTION 24. MSRB Rule G-34 Compliance.

(a) To assist the Remarketing Agent in complying with its obligations under MSRB Rule G-34(c), the District shall provide the following to the Remarketing Agent by electronic means in a word-searchable PDF file (or in such other form as the Remarketing Agent shall notify the District in writing) labeled with the following information: (I) CUSIP number; (II) name of District; (III) name of transaction; (IV) name of document; and (V) whether the document is an execution version or a redacted version:

(i) on the effective date of this Remarketing Agreement, a copy of the Remarketing Statement, the Letter of Credit Reimbursement Agreement, dated as of February 1, 2024, by and between the District and Bank of America, N.A. and any other documents containing information required to be filed with the MSRB pursuant to Rule G-34 (each, a “**Rule G-34 Document**”);

(ii) no later than ten Business Days prior to the proposed date of any amendment, extension, renewal, replacement or termination of any of the then-current Rule G-34 Documents, written notice that such document is proposed to be amended, extended, renewed, replaced or terminated, as the case may be, and the expected date of execution and delivery of such amendment, extension, renewal, replacement or termination, as the case may be;

(iii) within one Business Day after the execution and delivery of any amendment, extension, renewal, replacement or termination, as the case may be, of any of the then-current Rule G-34 Documents, a copy thereof; and

(iv) no later than three Business Days after receiving a request from the Remarketing Agent for any Rule G-34 Document, a copy thereof.

(b) In each instance that Rule G-34 Documents are delivered to the Remarketing Agent pursuant to this Section 24, the District shall provide: (1) a clean final execution copy of each relevant document; and (2) in any such document where any redactions are made: (I) a redacted final execution copy of document; and (II) a file containing a list showing all redactions that have been made to such document.

(c) If the District determines that any information in the Rule G-34 Documents is confidential or proprietary, the District shall make any appropriate redactions in compliance with Rule G-34(c). The District acknowledges that, unless mutually agreed upon in writing by the District and the Remarketing Agent, the Remarketing Agent will not redact G-34 Documents relating to the 2011A-2 Bonds.

(d) In the event that an District does not provide the Remarketing Agent with a copy of a document described in subsection (a) above, the Remarketing Agent may file a notice with the MSRB's Short-term Obligation Rate Transparency System (the "**SHORT System**") that such document will not be provided at such time as is specified by the MSRB and in the SHORT System Users Manual.

(e) The District will hold harmless the Remarketing Agent with respect to any information that made public when the Remarketing Agent files the Rule G-34 Documents with the SHORT System.

(f) If there are any additions, amendments or modifications to the securities laws or regulations with which the Remarketing Agent must comply, the District shall take all steps reasonably requested by the Remarketing Agent or its counsel necessary to comply with such additional requirements.

(g) The District shall reimburse the Remarketing Agent for any costs incurred in connection with compliance with Rule G-34 including, but not limited to, fees charged by the Trustee or other parties supplying missing documents.

**Section 2.4 Conflicts.** The first sentence of Section 16 of the Original Remarketing Agreement is hereby deleted.

### ARTICLE III

#### MISCELLANEOUS

**Section 3.1. Effect of Amendment.** This Amendment shall be effective on January 29, 2024. As of such date, all of the terms and provisions that are contained in this Amendment shall form part of the Original Remarketing Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Original Remarketing Agreement. The Original Remarketing Agreement is hereby ratified and confirmed, and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented hereby. If there

shall be any conflict between the terms of this Amendment and the terms of the Original Remarketing Agreement (as in effect on the day prior to the effective date of this Amendment), the terms of this Amendment shall prevail.

**Section 3.2. Binding Effect.** This Amendment shall inure to the benefit of and shall be binding upon the District and the Remarketing Agent and their respective successors and assigns.

**Section 3.3. Severability.** In the event that any provision of this Amendment shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

**Section 3.4. Execution in Counterparts.** This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

**Section 3.5. Electronic Signatures.** The District and the Remarketing Agent hereby agree that the execution and delivery of this Amendment and any and all agreements, documents, certificates and instruments related hereto may be accomplished with electronic signatures under the California Uniform Electronic Transactions Act and digital signatures under Section 16.5 of the California Government Code using DocuSign.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Remarketing Agreement effective the date first above written.

**IRVINE RANCH WATER DISTRICT**

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

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

**GOLDMAN SACHS & CO. LLC,**  
as Remarketing Agent

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



THIRD SUPPLEMENTAL INDENTURE OF TRUST

by and between the

IRVINE RANCH WATER DISTRICT

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

as Trustee

Dated as of February 1, 2024

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Relating to

BONDS OF IRVINE RANCH WATER DISTRICT,

REFUNDING SERIES 2011A-1

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## TABLE OF CONTENTS

	<b>Page</b>
ARTICLE XIX AUTHORITY; DEFINITIONS.....	2
SECTION 19.01. Supplemental Indenture of Trust .....	2
SECTION 19.02. Authority for this Third Supplemental Indenture .....	2
SECTION 19.03. Definitions .....	2
ARTICLE XX AMENDMENT OF EXISTING INDENTURE.....	2
SECTION 20.01. Amendment of Definitions in Section 1.01 .....	2
SECTION 20.02. Addition of Definitions in Section 1.01 .....	3
SECTION 20.03. Heading of Section 4.08 .....	2
SECTION 20.04. Amendment to Section 4.08 .....	4
SECTION 20.03. Heading of Section 4.08 .....	7
SECTION 20.04. Amendment to Section 4.08 .....	7
SECTION 20.04. Amendment to Section 4.08 .....	8
SECTION 20.10. Addition to Section 8.01 .....	10
SECTION 20.07. Amendment of Section 7.01 .....	10
SECTION 20.07. Amendment of Section 7.01 .....	11
SECTION 20.07. Amendment of Section 7.01 .....	11
SECTION 20.05. Amendment to Section 6.03 .....	11
SECTION 20.06. Addition to Section 6.03 .....	12
SECTION 20.07. Amendment of Section 7.01 .....	13
SECTION 20.08. Amendment of Section 7.02 .....	13
SECTION 20.09. Amendment of Section 7.04 .....	13
SECTION 20.10. Addition to Section 8.01 .....	13
SECTION 20.11. Addition of Section 8.13 .....	14
SECTION 20.12. Amendment of Section 11.01 .....	14
SECTION 20.13. Amendment of Section 11.02 .....	14
ARTICLE XXI MISCELLANEOUS.....	15
SECTION 21.01. Indenture to Remain in Effect.....	15
SECTION 21.02. Notice to Rating Agencies .....	15
SECTION 21.03. Counterparts.....	15
SECTION 21.04. Effective Date .....	15

### THIRD SUPPLEMENTAL INDENTURE OF TRUST

THIS THIRD SUPPLEMENTAL INDENTURE OF TRUST, dated as of February 1, 2024, by and between the IRVINE RANCH WATER DISTRICT, a California water district and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as trustee,

#### WITNESSETH:

WHEREAS, pursuant to the Existing Indenture (capitalized terms used herein shall have the meanings given such terms pursuant to Section 13.03 hereof) the District has issued the Bonds constituting the several general obligations of certain Improvement Districts as provided in the Existing Indenture; and

WHEREAS, on February 14, 2014, the District executed the First Supplemental Indenture to amend and supplement the Existing Indenture and on April 16, 2020, the District executed the Second Supplemental Indenture to further amend and supplement the Existing Indenture (the Existing Indenture, as amended and supplemented by the First Supplemental Indenture and the Second Supplemental Indenture shall be known as the “Existing Indenture”); and

WHEREAS, under the Existing Indenture, clarity is required regarding the mechanics relating to a Letter of Credit, which is not a Liquidity Facility; and

WHEREAS, Section 10.01(a) of the Existing Indenture provides that the provisions of the Existing Indenture may be modified, amended or supplemented by a Supplemental Indenture, with the written consent of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding; and

WHEREAS, the District desires to document the Letter of Credit mechanics with the authorization, execution, and delivery of this Third Supplemental Indenture; and

WHEREAS, the written consent of the Owners of at least a majority in aggregate principal amount of the Bonds has been filed with the Trustee; and

WHEREAS, the District has determined that all acts and things which are necessary in connection with the authorization, execution and delivery of this Third Supplemental Indenture have been done and performed in due time, form and manner;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts created by the Indenture, as amended and supplemented from time to time, and for other valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, it is agreed by and between the District and the Trustee as follows:

## ARTICLE XIX

### AUTHORITY; DEFINITIONS

**SECTION 19.01. Supplemental Indenture of Trust.** This Third Supplemental Indenture is amendatory of the Existing Indenture.

**SECTION 19.02. Authority for this Third Supplemental Indenture.** This Third Supplemental Indenture is entered into in accordance with Article X of the Existing Indenture.

**SECTION 19.03. Definitions.** (a) Except as otherwise defined by this Third Supplemental Indenture, all terms which are defined in Section 1.01 of the Existing Indenture, shall have the same meanings, respectively, in this Third Supplemental Indenture as such terms are given in said Section 1.01 of the Existing Indenture.

(b) Additional Definitions. The following term shall, for all purposes of the Indenture, have the meaning set forth below:

**“Existing Indenture”** means the Existing Indenture, as amended and supplemented by the First Supplemental Indenture and the Second Supplemental Indenture.

**“Third Supplemental Indenture”** means this Third Supplemental Indenture of Trust, dated as of February 1, 2024, by and between the Irvine Ranch Water District and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1.

## ARTICLE XX

### AMENDMENT OF EXISTING INDENTURE

**SECTION 20.01. Add Bank to Recitals.** The reference to “the obligations owing to the Liquidity Provider” in the recitals shall be amended to include the Bank as “the obligations owing to the Liquidity Provider or the Bank.”

**SECTION 20.02. Amendment of Definitions in Section 1.01.** The following definitions in Section 1.01 of the Existing Indenture are hereby amended to read as follows:

**“Bank”** means Bank of America, N.A. and its successors and assigns or the issuer of an Alternate Letter of Credit.

**“Business Day”** means a day that is not a Saturday or Sunday or a day on which the banks or trust companies in New York, New York, or in Los Angeles, California, or the city in which the office of the Bank or the Liquidity Provider where drawings under the Liquidity Facility or Letter of Credit are to be made, are not authorized or required by law or executive order to remain closed and on which the New York Stock Exchange is not closed.

**“Expiration Date”** means: (i) with respect to a Liquidity Facility, the stated expiration date of such Liquidity Facility, as it may be extended from time to time as provided in such

Liquidity Facility, or any earlier date on which such Liquidity Facility shall terminate, expire or be cancelled; and (ii) with respect to a Letter of Credit, the stated expiration date of the Letter of Credit, as it may be extended from time to time as provided in the Letter of Credit, or any earlier date on which the Letter of Credit shall terminate, expire or be cancelled.

**“Liquidity Facility”** means any Letter of Credit, line of credit, standby purchase agreement or other instrument which provides for the payment of the Purchase Price of the Bonds and is provided to the Trustee pursuant to Section 4.08.

**“Liquidity Provider Interest Rate”** means the interest rate payable on Liquidity Provider-Owned Bonds as set forth in the applicable Reimbursement Agreement or Liquidity Facility, but not in excess of the rate determined pursuant to clause (i) of the definition of “Maximum Rate.”

**“Liquidity Provider-Owned Bonds”** means any Bonds registered in the name of the Liquidity Provider pursuant to Section 4.07(c) or any Bonds registered in the name of the Bank pursuant to Section 4.07(c).

**“Maximum Rate”** means the lesser of (i) the maximum rate permitted on that day for the Bonds by Section 53541 of the California Government Code or any other applicable provisions of law, except as permitted by Section 36447.10 of the Water Code, or (ii) the rate used to calculate the size of the portion of the Liquidity Facility which is available to be drawn upon for the payment of interest on the Bonds; provided, however, that, if no Liquidity Facility is then in effect, the Maximum Rate shall be the rate determined pursuant to clause (i) of this definition; provided, further, however, that maximum rate applicable to Liquidity Provider-Owned Bonds shall be the maximum non-usurious rate permitted by law.

**“Reimbursement Agreement”** means that certain Reimbursement Agreement, dated as of February 1, 2024, between the Bank and the District or, if an Alternate Letter of Credit has been issued, the reimbursement agreement, or corresponding agreement, if any, executed and delivered in connection with such Alternate Letter of Credit or a Liquidity Facility.

**“Substitution Date”** means the date upon which an Alternate Letter of Credit or a new Liquidity Facility is substituted for the Letter of Credit or the Liquidity Facility then in effect.

**SECTION 20.03. Addition of Definitions in Section 1.01.** The following definitions shall be hereby added to Section 1.01 of the Existing Indenture:

**“Alternate Letter of Credit”** means a letter of credit or other security or liquidity device issued in accordance with Section 4.08 hereof which shall have a term of not less than one year and shall have the same material terms as the Letter of Credit.

**“Eligible Account”** means an account that is either (a) maintained with a federal or state-chartered depository institution or trust company that has a S&P short-term debt rating of at least “A-2” (or, if no short-term debt rating applies, a long-term debt rating of “BBB+”) or (b) maintained with the corporate trust department of a federal depository institution or state-chartered depository institution or trust company subject to regulations regarding fiduciary funds

on deposit similar to Title 12 of the U.S. Code of Federal Regulations Section 9.10(b), which, in either case, has corporate trust powers and is acting in its fiduciary capacity.

**“Letter of Credit”** means the irrevocable, direct pay letter of credit issued by the Bank contemporaneously with the original delivery of the Bonds to support the payment of principal and Purchase Price of, and interest on, the Bonds, except that upon the issuance of an Alternate Letter of Credit in accordance with Section 4.04 hereof such term shall mean such Alternate Letter of Credit.

**“Letter of Credit Account”** means the account so defined and created in Section 6.03 hereof.

**“Seasoned Funds”** means (i) monies derived from drawings under the Letter of Credit, (ii) monies received by the Trustee and held in Funds and accounts created under this Indenture for a period of at least 124 days and not commingled with any monies so held for less than said period and during and prior to which period no petition in bankruptcy was filed by or against IRWD under the United States Bankruptcy Code, (iii) monies with respect to which the Trustee shall have received an opinion of counsel experienced in matters pertaining to the United States Bankruptcy Code acceptable to each Rating Agency (other than S&P whose acceptance shall not be required) to the extent each such rating agency is then rating the Bonds, that the contemplated use of such monies would not constitute a transfer of property voidable under Section 544 or 547 of the United States Bankruptcy Code, should IRWD become a debtor under such Code or (iv) investment income derived from the investment of monies described in clause (i), (ii) or (iii).

**SECTION 20.04. Amendment of Section 4.07.** Section 4.07 of the Existing Indenture shall be amended to read as follows:

(a) The Remarketing Agent shall use its best efforts to remarket Bonds to be purchased pursuant to Section 4.01, 4.02 or Section 4.03 at the minimum interest rate available in the marketplace to permit the Remarketing Agent to remarket the Bonds on the Purchase Date, Mandatory Purchase Date, Scheduled Mandatory Tender Date or Unscheduled Mandatory Tender Date, as applicable, at the principal amount thereof; provided that the remarketing of Bonds in connection with a Scheduled Mandatory Tender or an Unscheduled Mandatory Tender shall be as provided in Section 5.01 or Section 5.02, as applicable. If the Remarketing Agent remarkets any Bonds pursuant to this Article IV or Article V to the District, the Remarketing Agent and the District shall promptly provide written notice to the Liquidity Provider and the Trustee stating the amount of Bonds purchased.

Bonds subject to purchase pursuant to Section 4.01, Section 4.02 or Section 4.03 shall be purchased from the Owners thereof at the Purchase Price which, shall be payable solely from the following sources in the order listed, except that the Purchase Price in connection with an Unscheduled Mandatory Tender is payable solely from the source described in clause (i) of this subsection (a):

(i) Immediately available funds on deposit in the Remarketing Proceeds Account;

(ii) Immediately available funds on deposit in the Letter of Credit Purchase Account;

(iii) Immediately available funds on deposit in the Liquidity Facility Purchase Account; and

(iv) Immediately available funds on deposit in the District Purchase Account.

(b) At or before 3:00 p.m. on the Business Day immediately preceding each Purchase Date, Mandatory Purchase Date, Scheduled Mandatory Tender Date and Unscheduled Mandatory Tender Date (or 11:15 a.m. on each Purchase Date or Mandatory Purchase Date in the case of Bonds in the Daily Mode, Weekly Mode, Flexible Rate Mode or Term Rate Mode), the Remarketing Agent (i) unless otherwise provided in a Representation Letter, will deliver to the Trustee instructions for registration of the Bonds remarketed in accordance with Section 4.07(e), and (ii) will give Electronic Notice to the Trustee, the Bank, the Liquidity Provider and the District, specifying the aggregate principal amount of Bonds not remarketed which must be purchased by the Liquidity Provider, the Bank, or the District on such date, if any, and the amount of proceeds from the remarketing that will be delivered by the Remarketing Agent to the Trustee on such date, if any. At or prior to 11:15 a.m. on each Purchase Date, Mandatory Purchase Date, Scheduled Mandatory Tender Date and Unscheduled Mandatory Tender Date, the Remarketing Agent will cause to be delivered to the Trustee in immediately available funds the proceeds of the remarketing of Bonds, if any; provided, however, that if the Bonds are registered in the name of a Bond Depository or its nominee, and if the amount of such remarketing proceeds is sufficient to pay the Purchase Price of all Bonds to be purchased on the Purchase Date, Mandatory Purchase Date, Scheduled Mandatory Tender Date or Unscheduled Mandatory Tender Date, as applicable, the Remarketing Agent may apply such remarketing proceeds to the appropriate accounts of such Bond Depository to effect payment of the Purchase Price of Bonds in accordance with the procedures established by such Bond Depository.

(c) If a Liquidity Facility or a Letter of Credit is in effect securing the payment of the Purchase Price of the Bonds and the amount of proceeds from the remarketing of Bonds delivered to the Trustee indicates that Bonds are required to be purchased from the proceeds of a drawing under the Liquidity Facility or Letter of Credit, the Trustee shall draw on the Liquidity Facility or Letter of Credit as provided in Section 4.08(b) or Section 4.08(i), as applicable, and give Electronic Notice to the District at or prior to 11:30 a.m. on such date specifying the information set forth in clause (ii) of Section 4.07(b). The aggregate amount of Bonds specified in such notice to be purchased from the proceeds of a drawing under the Liquidity Facility or Letter of Credit shall not be reduced. If a Liquidity Facility or Letter of Credit is in effect securing the payment of the Purchase Price of the Bonds and the amount of proceeds from the remarketing delivered to the Trustee plus the proceeds received by the Trustee from a drawing under the Liquidity Facility or Letter of Credit pursuant to Section 4.08(b) or Section 4.08(i), as applicable, is not sufficient to pay the Purchase Price of the Bonds to be purchased, the Trustee shall give Electronic Notice to the District at or prior to 12:15 p.m. on such date specifying the amount required to enable the Trustee to pay the Purchase Price of the

tendered Bonds. Upon receipt of such notice the District shall deposit with the Trustee in the District Purchase Account, by 2:00 p.m. on such date, immediately available funds in an amount together with the remarketing proceeds plus the proceeds received by the Trustee from a drawing under the Liquidity Facility or Letter of Credit, to enable the Trustee to pay the Purchase Price of the tendered Bonds.

(d) If a Liquidity Facility or Letter of Credit is not in effect securing the payment of the Purchase Price of the Bonds and the amount of proceeds from the remarketing delivered to the Trustee indicates that Bonds are required to be purchased from moneys provided by the District, the Trustee shall give Electronic Notice to the District at or prior to 11:30 a.m. on such date specifying the information set forth in clause (ii) of Section 4.07(b). Upon receipt of such notice the District shall deposit with the Trustee in the District Purchase Account, by 2:00 p.m. on such date, immediately available funds in an amount together with the remarketing proceeds, to enable the Trustee to pay the Purchase Price of the tendered Bonds.

(e) Unless otherwise provided in a Representation Letter, on each Purchase Date, Mandatory Purchase Date, Scheduled Mandatory Tender Date and Unscheduled Mandatory Tender Date, all Bonds which (i) have been remarketed shall be registered as directed by the Remarketing Agent or (ii) are required to be purchased by a Liquidity Provider or Bank shall be immediately registered in the name of the Liquidity Provider, Bank, or its designee as directed by the Liquidity Provider or Bank. The Trustee shall make such Bonds available at its Corporate Trust Office. In the absence of any instructions from the Liquidity Provider or Bank, Liquidity Provider-Owned Bonds will be held by the Trustee. The Trustee shall not release remarketed Liquidity Provider-Owned Bonds held by it until the Liquidity Facility or Letter of Credit has been reinstated as a result of such remarketing and the Trustee receives, and holds for the Liquidity Provider or Bank, the remarketing proceeds thereof.

(f) The Trustee shall pay from the funds specified in subsection (a) of this Section, the Purchase Price for each tendered Bond at or prior to 3:00 p.m. on the Purchase Date, Mandatory Purchase Date, Scheduled Mandatory Tender Date or Unscheduled Mandatory Tender Date, as the case may be; provided that the Purchase Price of Bonds in connection with an Unscheduled Mandatory Tender shall be payable only from amounts in the Remarketing Proceeds Account. The Purchase Price of any Bond so tendered shall be payable only upon surrender of such Bond to the Trustee at its Corporate Trust Office for delivery of such Bond accompanied, when the Bonds are not in a book-entry system, by an instrument of transfer thereof, in form satisfactory to the Trustee, executed in blank by the Owners thereof or their duly authorized attorney, with such signature guaranteed by a bank, trust company or member firm of the New York Stock Exchange. Payment of the Purchase Price of any Bond tendered for purchase or otherwise purchased pursuant to a Representation Letter shall be made in immediately available funds or in such manner as such Owner and the Trustee shall agree.

(g) Notwithstanding any provision to the contrary contained in this Article IV, all Liquidity Provider-Owned Bonds, except Bonds being registered on such date in the name of, or on behalf of, the Liquidity Provider or Bank pursuant to Section 4.07(c), shall



be deemed tendered to the Remarketing Agent on each Business Day without the need for any Tender Notice or delivery of such Bonds. The Remarketing Agent shall remarket such Liquidity Provider-Owned Bonds on each Business Day in accordance with the Indenture and the Remarketing Agreement. The Remarketing Agent shall immediately notify the Liquidity Provider or Bank by Electronic Notice when Liquidity Provider-Owned Bonds have been remarketed in accordance with the Indenture and the Remarketing Agreement.

(h) Notwithstanding any provision to the contrary contained in this Article IV, all tenders for purchase during any period in which the Bonds are registered in the name of Cede & Co. (or the nominee of any successor Bond Depository) shall be subject to the terms and conditions set forth in the Representation Letter and any rules and regulations promulgated by DTC. Subject thereto, the Bonds may be tendered by means of a book-entry credit of such Bonds to the account of the Remarketing Agent; provided, however, that under circumstances permitted by such rules and regulations notice of tender shall be given by a purchaser of Bonds on behalf of the beneficial owner of such Bonds; and provided further that, if the Remarketing Agent notifies the Trustee that Bonds have been remarketed pursuant to the Indenture, such Bonds may be treated as being tendered upon a book-entry transfer of such Bonds from the account of the tendering party to the credit of the account of the purchaser of such Bonds.

(i) Notwithstanding any provision to the contrary contained in this Article IV, all tenders for purchase in connection with an Unscheduled Mandatory Tender shall be payable only from the proceeds of the remarketing of Bonds specified in Section 4.07(a)(i).

**SECTION 20.05. Heading of Section 4.08.** The heading of Section 4.08 of the Existing Indenture shall be amended to read “Liquidity Facility; Letter of Credit.”

**SECTION 20.06. Amendment of Section 4.08(a), (b), and (f).** Section 4.08(a), Section 4.08(b), and Section 4.08(f) of the Existing Indenture shall be amended to read as follows, respectively:

(a) At any time and from time to time, the District may, but is not required to, cause a Liquidity Facility or Letter of Credit to be provided by a Liquidity Provider or Bank to secure the payment when due hereunder of the Purchase Price of Bonds. The District may cause any such Liquidity Facility or Letter of Credit to be terminated on any Business Day, subject to the provisions of Article IV with respect to a Mandatory Purchase Date with respect to such termination. The District may, but is not required to, replace any terminating Liquidity Facility or Letter of Credit with a new Liquidity Facility or Alternate Credit Facility, respectively.

(b) While a Liquidity Facility is in effect, on each Purchase Date, Mandatory Purchase Date, and Scheduled Mandatory Tender Date, the Trustee shall prior to 12:00 noon, draw on the Liquidity Facility in accordance with the terms thereof so as to receive thereunder by 2:45 p.m. on such date an amount, in immediately available funds, sufficient, together with the proceeds of the remarketing of Bonds on such date, to enable the Trustee to pay

the Purchase Price of all Bonds due on such Purchase Date, Mandatory Purchase Date or Scheduled Mandatory Tender Date, as applicable. In connection with any Mandatory Purchase Date due to the substitution of a new Liquidity Facility for a current Liquidity Facility, the Trustee shall draw on the current Liquidity Facility and not the new Liquidity Facility to pay the Purchase Price of the Bonds in connection with said substitution. If the Trustee has not received the notice pursuant to Section 4.07(b)(ii) specifying the amount of proceeds of the remarketing of Bonds on a Purchase Date, Mandatory Purchase Date, or Scheduled Mandatory Tender Date, the Trustee shall draw on the Liquidity Facility in an amount sufficient to enable the Trustee to pay the Purchase Price of all Bonds due on such Purchase Date, Mandatory Purchase Date, or Scheduled Mandatory Tender Date, as applicable. The proceeds of such draw shall immediately be transferred to the Trustee, who shall deposit said proceeds in the Liquidity Facility Purchase Account.

(f) The District shall have no obligation to maintain a Liquidity Facility in effect for any period of time regardless of which Mode is in effect for the Bonds. The Trustee may accept, hold and draw upon the Liquidity Facility issued by itself or by any of its corporate affiliates to provide security and a source of payment for the Bonds. The Trustee covenants that it shall at all times maintain adequate controls to manage any potential conflict of interest. Notwithstanding any other provision herein to the contrary, while the Liquidity Provider or Bank issuing a Liquidity Facility or Letter of Credit is the Trustee or an affiliate of the Trustee and such Liquidity Provider or Bank has not failed to honor a properly presented draw on the Liquidity Facility or Letter of Credit, the Trustee shall have no discretion with respect to the acceleration of the Bonds and shall do so only upon the written direction of such Liquidity Provider or Bank issuing the Liquidity Facility or Letter of Credit. The Trustee shall immediately tender its resignation and take prompt steps to have a successor trustee appointed satisfying the requirements of the Indenture if such affiliated Liquidity Provider or Bank shall fail at any time to honor a properly presented draw on the Liquidity Facility or Letter of Credit.

**SECTION 20.07. Addition to Section 4.08.** The following subsections shall be added to Section 4.08 of the Existing Indenture immediately following clause (f) of such Section:

(g) While the Letter of Credit is in effect, during the Daily Mode, the Weekly Mode, the Monthly Mode, the Semi-Annual Mode, or the Annual Mode, the Trustee shall, by 3:00 p.m. on the Business Day preceding each Interest Payment Date, Principal Payment Date, Redemption Date and Maturity Date, and immediately upon a declaration of acceleration, draw on the Letter of Credit in accordance with the terms thereof so as to receive thereunder by 12:00 noon on said Interest Payment Date, Principal Payment Date, Redemption Date and Maturity Date, or as soon as practicable following a declaration of acceleration, as the case may be, an amount, in immediately available funds, equal to the amount of principal and interest payable on the Bonds on such Interest Payment Date, Redemption Date, Maturity Date, or the date principal and accrued interest on the Bonds is due and payable as a result of a declaration of acceleration. The proceeds of such draws under paragraph (a) of this Section 4.08 shall be deposited in the Letter of Credit Account, which constitutes an Eligible Account.

(h) While the Letter of Credit is in effect, during the Flexible Rate Mode or Term Rate Mode, the Trustee shall, by 3:00 p.m. on the last Business Day of each calendar month and on the Business Day preceding each Principal Payment Date, Redemption Date and Maturity Date, and immediately upon a declaration of acceleration, by Electronic Notice, draw on the Letter of Credit in accordance with the terms thereof so as to receive thereunder by 12:00 noon: (i) on the first Business Day of the next calendar month, an amount equal to the amount of interest accrued on the Flexible Rate Bonds or Term Rate Bonds during the previous calendar month whether or not paid or due; or (ii) on said Principal Payment Date, Redemption Date, Maturity Date or as soon as practicable following a declaration of acceleration, as the case may be, the amount of interest payable on the Bonds on such Principal Payment Date, Redemption Date, Maturity Date or as a result of a declaration of acceleration. The proceeds of such draws under this paragraph shall be deposited in the Letter of Credit Account.

(i) While the Letter of Credit is in effect, on each Purchase Date and Mandatory Purchase Date the Trustee shall prior to 12:00 noon, draw on the Letter of Credit in accordance with the terms thereof so as to receive thereunder by 2:45 p.m. on such date an amount, in immediately available funds, sufficient, together with the proceeds of the remarketing of Bonds on such date, to enable the Trustee to pay the Purchase Price of all Bonds due on such Purchase Date or Mandatory Purchase Date. In connection with any Mandatory Purchase Date due to the substitution of an Alternate Letter of Credit for a Letter of Credit, the Trustee shall draw on the Letter of Credit and not the Alternate Letter of Credit to pay the Purchase Price of the Bonds in connection with said substitution. If the Trustee has not received the notice pursuant to Section 4.07(e) specifying the amount of proceeds of the remarketing of Bonds on such Purchase Date or Mandatory Purchase Date, the Trustee shall draw on the Letter of Credit in an amount sufficient to enable the Trustee to pay the Purchase Price of all Bonds due on such Purchase Date or Mandatory Purchase Date. The proceeds of such draw shall immediately be transferred to the Trustee, who shall deposit said proceeds in the Letter of Credit Purchase Account, which constitutes an Eligible Account.

(j) Notwithstanding the foregoing paragraphs of this Section, the Trustee shall not draw on the Letter of Credit with respect to any payments due or made in connection with Liquidity Provider-Owned Bonds or Bonds held in the name of the District or Bonds held for the account of the District. The District agrees to provide the Trustee notice of any Bonds held for the account of the District and the Trustee may conclusively rely on such notice as to any Bonds held for the account of the District.

(k) If at any time there shall have been delivered to the Trustee (i) an Alternate Letter of Credit in substitution for the Letter of Credit then in effect, (ii) a Favorable Opinion of Bond Counsel, and (iii) a written opinion of counsel to the provider of the Alternate Letter of Credit to the effect that such Alternate Letter of Credit constitutes the valid and binding agreement of the provider thereof; (iv) a rating for the Bonds upon the substitution of such Alternate Letter of Credit for the Letter of Credit then in effect from each Rating Agency selected by the District and (v) written evidence satisfactory to the Bank of the provision for purchase from the Bank of all Liquidity Provider-Owned Bonds, at a price equal to the principal amount thereof plus accrued and unpaid interest,

and payment of all amounts due it under the Reimbursement Agreement on or before the effective date of such Alternate Letter of Credit, then the Trustee shall accept such Alternate Letter of Credit on the Substitution Date and shall surrender the Letter of Credit then in effect to the Bank after funds have been received by the Trustee pursuant to the draw to pay the Purchase Price of the Bonds in connection with the substitution. The District shall give the Trustee and the Bank written notice of the proposed substitution of an Alternate Letter of Credit for the Letter of Credit then in effect no less than 40 days prior to the proposed Substitution Date.

(l) The Trustee shall not sell, assign or otherwise transfer the Letter of Credit or an Alternate Letter of Credit, except to a successor Trustee hereunder and in accordance with the terms of the Letter of Credit or the Alternate Letter of Credit, as applicable, and this Indenture.

(m) The District shall have no obligation to maintain the Letter of Credit or an Alternate Letter of Credit in effect for any period of time regardless of which Mode is in effect for the Bonds.

**SECTION 20.08. Addition and Amendment to Section 4.10.** Section 4.10(d) shall be added to the Existing Indenture following Section 4.10(c) and read as follows:

(d) Letter of Credit Purchase Account. The Trustee shall establish a separate account within the Purchase Fund to be known as the “Letter of Credit Purchase Account.” Upon receipt from the Trustee of the immediately available funds transferred to the Trustee pursuant to Section 4.08(i), the Trustee shall deposit such money in the Letter of Credit Purchase Account for application to the Purchase Price of the Bonds. Any amounts deposited in the Letter of Credit Purchase Account and not needed with respect to any Purchase Date, Mandatory Purchase Date or Scheduled Mandatory Tender Date for the payment of the Purchase Price for any Bonds shall be immediately returned to the Bank.

In addition, the existing Section 4.10(d) in the Existing Indenture shall be renumbered as Section 4.10(e), and shall be amended as follows:

(e) Investment. Amounts held in the Liquidity Facility Purchase Account, the Letter of Credit Purchase Account, and the Remarketing Proceeds Account by the Trustee shall be held uninvested.

**SECTION 20.09. Amendment of Section 4.11.** Section 4.11 of the Existing Indenture shall be amended in its entirety to read as follows:

**Bonds Not Payable from Liquidity Facility or Letter of Credit.** In determining the amount of any the Purchase Price of any Bond payable from a draw on a Liquidity Facility or Letter of Credit on any Purchase Date, Mandatory Purchase Date or Scheduled Mandatory Tender Date, the Trustee shall not take into consideration any Purchase Price due on Bonds registered in the name of the District or any affiliate of the District to the extent identified to a Responsible Officer of the Trustee in writing or in the name of the Liquidity Provider or Bank and no demand for purchase under the applicable

Liquidity Facility or Letter of Credit shall be made to pay the Purchase Price of any Bonds registered in the name of the District or any affiliate of the District to the extent identified in writing to a Responsible Officer of the Trustee or in the name of the Liquidity Provider or Bank.

**SECTION 20.10. Amendment of Section 4.12.** Section 4.12 of the Existing Indenture shall be amended in its entirety to read as follows:

**Notice of Remarketing of Liquidity Provider Bonds; Election Not to Sell Liquidity Provider Bonds.** The Remarketing Agent shall continue to use its best efforts to remarket Liquidity Provider Bonds at a price which, together with any moneys to be provided by the District under the Indenture, will equal the principal amount thereof plus accrued and unpaid interest thereon to such date. The Liquidity Provider or Bank (or any subsequent Owner of a Liquidity Provider Bond) shall have the right, by written notice or by telephonic notice, promptly confirmed in writing, to the Remarketing Agent and the Trustee, to elect not to sell the Liquidity Provider Bonds or any portion thereof. From and after any sale by the Remarketing Agent and receipt by the Trustee on behalf of the Liquidity Provider or Bank (or any subsequent Owner of the Liquidity Provider Bonds) of the Purchase Price therefor (including accrued interest to the date of delivery) and notification by the Liquidity Provider of the reinstatement of the applicable Liquidity Facility in the principal amount equal to such Liquidity Provider Bonds, or in the event of any such election not to sell the Liquidity Provider Bonds, such Bonds shall cease to be Liquidity Provider Bonds and shall bear interest as provided herein for Bonds other than Liquidity Provider Bonds.

**SECTION 20.11. Amendment of Section 6.01.** Section 6.01 of the Existing Indenture shall be amended in its entirety to read as follows:

**Pledge of Trust Estate.** Subject to the application of the Revenues on the terms and conditions provided in Section 6.02, the Revenues are hereby irrevocably pledged to the payment when due of the principal, Purchase Price and Redemption Price of, and interest on, the Outstanding Bonds, and the obligations owing to the Liquidity Provider or the Bank under the Reimbursement Agreement, which pledge shall be on a parity with any pledge of Revenues securing other Parity Obligations. This pledge shall constitute a pledge of and charge and lien upon the Revenues for the payment of the principal, Purchase Price and Redemption Price of, and interest on, the Outstanding Bonds and all other Parity Obligations in accordance with the terms hereof and thereof after payment from the Revenues of the Operation and Maintenance Expenses, and the funding of contingency reserves therefor, as provided in the Indenture.

**SECTION 20.12. Amendment to Section 6.03.** Section 6.03 (a), (b), and (c) to the Existing Indenture shall be amended in its entirety to read as follows:

(a) **Interest Account.** When a Letter of Credit is in effect, the Trustee, on each Interest Payment Date, shall withdraw and apply monies in the Interest Account, if any, to reimburse the Bank for draws on the Letter of Credit pursuant to paragraph (g) of Section 4.08 hereof to pay interest on the Bonds payable on such Interest Payment Date.

When no Letter of Credit is in effect, the Trustee, on each Interest Payment Date, shall deposit in the Interest Account from money in the Bond Payment Fund an amount which, together with amounts already on deposit in the Interest Account shall be sufficient to pay interest on the Outstanding Bonds due on such Interest Payment Date. Money in the Interest Account shall be used and withdrawn by the Trustee on each Interest Payment Date solely for the payment of interest on the Outstanding Bonds or reimbursement of the Bank for such payment, as aforesaid.

(b) Principal Account. When a Letter of Credit is in effect, the Trustee, on each Principal Payment Date, shall withdraw and apply monies in the Principal Account, if any, to reimburse the Bank for draws on the Letter of Credit pursuant to paragraph (g) or (h) of Section 4.04 hereof to pay principal of the Bonds payable on such Principal Payment Date. When no Letter of Credit is in effect, the Trustee, on each Principal Payment Date, shall deposit in the Principal Account from money in the Bond Payment Fund such amount as shall be sufficient to pay the principal of the Outstanding Bonds due on such Principal Payment Date. Money in the Principal Account shall be used and withdrawn by the Trustee on each Principal Payment Date solely for the payment of the principal of Outstanding Bonds or reimbursement of the Bank for such payment, as aforesaid.

(c) Redemption Account. When the Letter of Credit is in effect, the Trustee shall deposit in the Redemption Account amounts received from the District to pay the premium on Bonds to be redeemed pursuant to Section 3.02 hereof. The Trustee shall apply amounts received from the District, which amounts shall not be commingled with other amounts in the Redemption Account, to pay the premium on Bonds to be redeemed pursuant to Section 3.02 hereof only if and to the extent that such amounts constitute Seasoned Funds on the date of application. When no Letter of Credit is in effect, the Trustee shall deposit in the Redemption Account amounts received from the District to pay the Redemption Price of Bonds to be redeemed. When no Letter of Credit is in effect, money in the Redemption Account shall be used and withdrawn by the Trustee on each Redemption Date solely for the payment of the Redemption Price of Outstanding Bonds upon the redemption thereof pursuant to paragraph (a) of Section 3.01 or Section 3.05 hereof.

**SECTION 20.13. Addition to Section 6.03.** Section 6.03 (d) shall be added to the Existing Indenture following Section 6.03(c) and read as follows:

(d) Letter of Credit Account. The Trustee shall deposit the proceeds of draws on the Letter of Credit made pursuant to paragraphs (g) and (h) of Section 4.08 hereof in the Letter of Credit Account. When the Letter of Credit is in effect, money in the Letter of Credit Account shall be used and withdrawn by the Trustee on each Interest Payment Date (except during the Flexible Rate Mode), each Principal Payment Date and each Redemption Date and used to pay the interest on and principal of the Bonds (whether at maturity, redemption or acceleration).

**SECTION 20.14. Amendment of Section 7.01.** Section 7.01 of the Existing Indenture shall be amended in its entirety to read as follows:

**Payment of Bonds.** The District will promptly pay, or cause to be paid, the principal, Purchase Price, and Redemption Price of, and interest on the Bonds on the dates and in the manner provided in the Bonds, but only from the sources available therefor under the Indenture. From such available sources, the District will provide the Trustee sufficient monies to enable the Trustee to make all payments of principal, Purchase Price, and Redemption Price of, and interest on, the Bonds as provided in the Indenture and the Bonds, except that the District will pay directly to the Bank all amounts payable in respect of Liquidity Provider-Owned Bonds.

**SECTION 20.15. Amendment of Section 7.02.** The last sentence of Section 7.02 of the Existing Indenture shall be amended as follows:

Except as provided below, the District shall transfer from the General Obligation Bond Fund (i) while the Letter of Credit is in effect, to the Bank monies at such times and in such amounts as are sufficient to reimburse the Bank, in accordance with the terms of the Reimbursement Agreement, for draws made on the Letter of Credit pursuant to paragraphs (g), (h) and (i) of Section 4.08 hereof; provided, however, that to the extent monies are available in the Principal Account or the Interest Account to pay the principal of or interest on the Bonds, the Trustee shall withdraw and apply monies in the Principal Account or the Interest Account, as appropriate, as directed in writing by the District to reimburse the Bank for draws made on the Letter of Credit pursuant to paragraphs (g), (h) and (i) of Section 4.08 hereof, and (ii) while no Letter of Credit is in effect, to the Trustee for deposit in the Bond Payment Fund monies at such times and in such amounts as are sufficient for the Trustee to make the transfers from the Bond Payment Fund as provided herein.

**SECTION 20.16. Amendment of Section 7.04.** The third full paragraph of Section 7.04(b) of the Existing Indenture that begins “In the event that on the first day of any Bond Year...” shall be amended as follows:

In the event that on the first day of any Bond Year the amount credited to the Rebate Fund exceeds the Rebate Requirement, the District shall withdraw the excess from the Rebate Fund and when a Letter of Credit is in effect apply such excess to reimburse the Bank for the draw on the Letter of Credit for the payment of interest on the Bonds, or when no Letter of Credit is in effect, transfer such excess to the Trustee for credit to the Interest Account of the Bond Payment Fund.

**SECTION 20.17. Addition to Section 8.01.** Section 8.01 (d) shall be added to the Existing Indenture following Section 8.01(c) and read as follows:

(d) The Trustee receives written notice from the Bank that the District has not reimbursed the Bank for a drawing under the Letter of Credit to pay interest or that any other event of default has occurred and is continuing under the Reimbursement Agreement; and

In addition, the existing Section 8.01(d) in the Existing Indenture shall be renumbered as Section 8.01(e).

**SECTION 20.18. Addition of Section 8.13.** Section 8.13 shall be added to the Existing Indenture following Section 8.12 and read as follows:

**Bank’s Right to Direct Remedies.** Notwithstanding anything to the contrary in this Indenture contained, so long as the Letter of Credit is in effect and the Bank is not in default of its obligations under the applicable Reimbursement Agreement, the Bank, acting alone: (i) shall have the right to direct all remedies upon the occurrence of an Event of Default and there shall be no acceleration of the Bonds without the consent of the Bank; (ii) shall be deemed the sole Owner of the Bonds for all purposes of this Indenture (including for purposes of Article X); and (iii) shall have the right to institute any suit, action, or proceeding at law or in equity under the same terms as a Bondholder in accordance with applicable provisions of this Indenture; provided, however, that nothing in this Section shall be deemed to restrict the rights of the Bank as the subrogee of Bondholder rights pursuant to this Indenture.

**SECTION 20.19. Amendment of Section 11.01.** The phrase currently reading “including all fees and expenses of the Trustee have been paid in full” in Section 11.01(a) shall be amended to read as follows:

including all fees and expenses of the Trustee and all amounts owing to the Bank under the Reimbursement Agreement have been paid in full and the Letter of Credit has been returned to the Bank by the Trustee

**SECTION 20.20. Amendment of Section 11.02.** Subsection (b) of Section 11.02 shall be amended to read as follows:

(b) there shall have been deposited with the Trustee either monies (which monies, if a Letter of Credit is then in effect, shall constitute Seasoned Funds), in an amount which shall be sufficient, or Government Obligations (which Government Obligations, if a Letter of Credit is then in effect, shall constitute Seasoned Funds), the principal of and the interest on which when due, and without any reinvestment thereof, will provide monies which, together with the monies (which monies, if a Letter of Credit is then in effect, shall constitute Seasoned Funds), if any, deposited with or held by the Trustee at the same time, shall be sufficient (as verified by an Accountant’s Report), to pay when due the principal, or Redemption Price, as applicable, of, and interest due and to become due on, said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, and, unless the Liquidity Facility, Letter of Credit, or Alternate Letter of Credit then in effect, if any, remains in effect, the Purchase Price of any Bonds which may be tendered for purchase pursuant to Section 4.01 hereof and, with respect to any period to the Redemption Date or maturity date thereof, as the case may be, as to which the interest rate on the Bonds has not been set by the applicable Remarketing Agent, the interest on the Bonds shall be calculated at the Maximum Rate, and



## ARTICLE XXI

### MISCELLANEOUS

**SECTION 21.01. Indenture to Remain in Effect.** Save and except as amended by this Third Supplemental Indenture, the Existing Indenture shall remain in full force and effect.

**SECTION 21.02. Notice to Rating Agencies.** Pursuant to Section 12.12 of the Indenture, the Trustee shall give notice of this Third Supplemental Indenture to the Rating Agencies.

**SECTION 21.03. Counterparts.** This Third Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 21.04. Effective Date.** In accordance with Section 10.01(d) of the Indenture, the effective date of this Third Supplemental Indenture shall be the date in which the District delivers to the Trustee a Favorable Opinion of Bond Counsel in connection with this Third Supplemental Indenture.

**IN WITNESS WHEREOF**, the District has caused the Third Supplemental Indenture of Trust to be signed in its name and on its behalf by its duly authorized signatories, and its seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused the Third Supplemental Indenture to be signed in its name and on its behalf by its duly authorized signatories.

**IRVINE RANCH WATER DISTRICT**

[SEAL]

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

ATTEST:

\_\_\_\_\_  
Secretary

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee**

By: \_\_\_\_\_  
Authorized Signatory

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THIRD SUPPLEMENTAL INDENTURE OF TRUST

by and between the

IRVINE RANCH WATER DISTRICT

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

as Trustee

Dated as of February 1, 2024

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Relating to

BONDS OF IRVINE RANCH WATER DISTRICT,

REFUNDING SERIES 2011A-2

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## TABLE OF CONTENTS

	<b>Page</b>
ARTICLE XIX AUTHORITY; DEFINITIONS.....	2
SECTION 19.01. Supplemental Indenture of Trust .....	2
SECTION 19.02. Authority for this Third Supplemental Indenture .....	2
SECTION 19.03. Definitions .....	2
ARTICLE XX AMENDMENT OF EXISTING INDENTURE.....	2
SECTION 20.01. Amendment of Definitions in Section 1.01 .....	2
SECTION 20.02. Addition of Definitions in Section 1.01 .....	3
SECTION 20.03. Heading of Section 4.08 .....	2
SECTION 20.04. Amendment to Section 4.08 .....	4
SECTION 20.03. Heading of Section 4.08 .....	7
SECTION 20.04. Amendment to Section 4.08 .....	7
SECTION 20.04. Amendment to Section 4.08 .....	8
SECTION 20.10. Addition to Section 8.01 .....	10
SECTION 20.07. Amendment of Section 7.01 .....	10
SECTION 20.07. Amendment of Section 7.01 .....	11
SECTION 20.07. Amendment of Section 7.01 .....	11
SECTION 20.05. Amendment to Section 6.03 .....	11
SECTION 20.06. Addition to Section 6.03 .....	12
SECTION 20.07. Amendment of Section 7.01 .....	13
SECTION 20.08. Amendment of Section 7.02 .....	13
SECTION 20.09. Amendment of Section 7.04 .....	13
SECTION 20.10. Addition to Section 8.01 .....	13
SECTION 20.11. Addition of Section 8.13 .....	14
SECTION 20.12. Amendment of Section 11.01 .....	14
SECTION 20.13. Amendment of Section 11.02 .....	14
ARTICLE XXI MISCELLANEOUS.....	15
SECTION 21.01. Indenture to Remain in Effect.....	15
SECTION 21.02. Notice to Rating Agencies .....	15
SECTION 21.03. Counterparts.....	15
SECTION 21.04. Effective Date .....	15

### THIRD SUPPLEMENTAL INDENTURE OF TRUST

THIS THIRD SUPPLEMENTAL INDENTURE OF TRUST, dated as of February 1, 2024, by and between the IRVINE RANCH WATER DISTRICT, a California water district and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as trustee,

#### WITNESSETH:

WHEREAS, pursuant to the Existing Indenture (capitalized terms used herein shall have the meanings given such terms pursuant to Section 13.03 hereof) the District has issued the Bonds constituting the several general obligations of certain Improvement Districts as provided in the Existing Indenture; and

WHEREAS, on February 14, 2014, the District executed the First Supplemental Indenture to amend and supplement the Existing Indenture and on April 16, 2020, the District executed the Second Supplemental Indenture to further amend and supplement the Existing Indenture (the Existing Indenture, as amended and supplemented by the First Supplemental Indenture and the Second Supplemental Indenture shall be known as the “Existing Indenture”); and

WHEREAS, under the Existing Indenture, clarity is required regarding the mechanics relating to a Letter of Credit, which is not a Liquidity Facility; and

WHEREAS, Section 10.01(a) of the Existing Indenture provides that the provisions of the Existing Indenture may be modified, amended or supplemented by a Supplemental Indenture, with the written consent of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding; and

WHEREAS, the District desires to document the Letter of Credit mechanics with the authorization, execution, and delivery of this Third Supplemental Indenture; and

WHEREAS, the written consent of the Owners of at least a majority in aggregate principal amount of the Bonds has been filed with the Trustee; and

WHEREAS, the District has determined that all acts and things which are necessary in connection with the authorization, execution and delivery of this Third Supplemental Indenture have been done and performed in due time, form and manner;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts created by the Indenture, as amended and supplemented from time to time, and for other valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, it is agreed by and between the District and the Trustee as follows:

## ARTICLE XIX

### AUTHORITY; DEFINITIONS

**SECTION 19.01. Supplemental Indenture of Trust.** This Third Supplemental Indenture is amendatory of the Existing Indenture.

**SECTION 19.02. Authority for this Third Supplemental Indenture.** This Third Supplemental Indenture is entered into in accordance with Article X of the Existing Indenture.

**SECTION 19.03. Definitions.** (a) Except as otherwise defined by this Third Supplemental Indenture, all terms which are defined in Section 1.01 of the Existing Indenture, shall have the same meanings, respectively, in this Third Supplemental Indenture as such terms are given in said Section 1.01 of the Existing Indenture.

(b) Additional Definitions. The following term shall, for all purposes of the Indenture, have the meaning set forth below:

**“Existing Indenture”** means the Existing Indenture, as amended and supplemented by the First Supplemental Indenture and the Second Supplemental Indenture.

**“Third Supplemental Indenture”** means this Third Supplemental Indenture of Trust, dated as of February 1, 2024, by and between the Irvine Ranch Water District and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2.

## ARTICLE XX

### AMENDMENT OF EXISTING INDENTURE

**SECTION 20.01. Add Bank to Recitals.** The reference to “the obligations owing to the Liquidity Provider” in the recitals shall be amended to include the Bank as “the obligations owing to the Liquidity Provider or the Bank.”

**SECTION 20.02. Amendment of Definitions in Section 1.01.** The following definitions in Section 1.01 of the Existing Indenture are hereby amended to read as follows:

**“Bank”** means Bank of America, N.A. and its successors and assigns or the issuer of an Alternate Letter of Credit.

**“Business Day”** means a day that is not a Saturday or Sunday or a day on which the banks or trust companies in New York, New York, or in Los Angeles, California, or the city in which the office of the Bank or the Liquidity Provider where drawings under the Liquidity Facility or Letter of Credit are to be made, are not authorized or required by law or executive order to remain closed and on which the New York Stock Exchange is not closed.

**“Expiration Date”** means: (i) with respect to a Liquidity Facility, the stated expiration date of such Liquidity Facility, as it may be extended from time to time as provided in such

Liquidity Facility, or any earlier date on which such Liquidity Facility shall terminate, expire or be cancelled; and (ii) with respect to a Letter of Credit, the stated expiration date of the Letter of Credit, as it may be extended from time to time as provided in the Letter of Credit, or any earlier date on which the Letter of Credit shall terminate, expire or be cancelled.

**“Liquidity Facility”** means any Letter of Credit, line of credit, standby purchase agreement or other instrument which provides for the payment of the Purchase Price of the Bonds and is provided to the Trustee pursuant to Section 4.08.

**“Liquidity Provider Interest Rate”** means the interest rate payable on Liquidity Provider-Owned Bonds as set forth in the applicable Reimbursement Agreement or Liquidity Facility, but not in excess of the rate determined pursuant to clause (i) of the definition of “Maximum Rate.”

**“Liquidity Provider-Owned Bonds”** means any Bonds registered in the name of the Liquidity Provider pursuant to Section 4.07(c) or any Bonds registered in the name of the Bank pursuant to Section 4.07(c).

**“Maximum Rate”** means the lesser of (i) the maximum rate permitted on that day for the Bonds by Section 53541 of the California Government Code or any other applicable provisions of law, except as permitted by Section 36447.10 of the Water Code, or (ii) the rate used to calculate the size of the portion of the Liquidity Facility which is available to be drawn upon for the payment of interest on the Bonds; provided, however, that, if no Liquidity Facility is then in effect, the Maximum Rate shall be the rate determined pursuant to clause (i) of this definition; provided, further, however, that maximum rate applicable to Liquidity Provider-Owned Bonds shall be the maximum non-usurious rate permitted by law.

**“Reimbursement Agreement”** means that certain Reimbursement Agreement, dated as of February 1, 2024, between the Bank and the District or, if an Alternate Letter of Credit has been issued, the reimbursement agreement, or corresponding agreement, if any, executed and delivered in connection with such Alternate Letter of Credit or a Liquidity Facility.

**“Substitution Date”** means the date upon which an Alternate Letter of Credit or a new Liquidity Facility is substituted for the Letter of Credit or the Liquidity Facility then in effect.

**SECTION 20.03. Addition of Definitions in Section 1.01.** The following definitions shall be hereby added to Section 1.01 of the Existing Indenture:

**“Alternate Letter of Credit”** means a letter of credit or other security or liquidity device issued in accordance with Section 4.08 hereof which shall have a term of not less than one year and shall have the same material terms as the Letter of Credit.

**“Eligible Account”** means an account that is either (a) maintained with a federal or state-chartered depository institution or trust company that has a S&P short-term debt rating of at least “A-2” (or, if no short-term debt rating applies, a long-term debt rating of “BBB+”) or (b) maintained with the corporate trust department of a federal depository institution or state-chartered depository institution or trust company subject to regulations regarding fiduciary funds

on deposit similar to Title 12 of the U.S. Code of Federal Regulations Section 9.10(b), which, in either case, has corporate trust powers and is acting in its fiduciary capacity.

**“Letter of Credit”** means the irrevocable, direct pay letter of credit issued by the Bank contemporaneously with the original delivery of the Bonds to support the payment of principal and Purchase Price of, and interest on, the Bonds, except that upon the issuance of an Alternate Letter of Credit in accordance with Section 4.04 hereof such term shall mean such Alternate Letter of Credit.

**“Letter of Credit Account”** means the account so defined and created in Section 6.03 hereof.

**“Seasoned Funds”** means (i) monies derived from drawings under the Letter of Credit, (ii) monies received by the Trustee and held in Funds and accounts created under this Indenture for a period of at least 124 days and not commingled with any monies so held for less than said period and during and prior to which period no petition in bankruptcy was filed by or against IRWD under the United States Bankruptcy Code, (iii) monies with respect to which the Trustee shall have received an opinion of counsel experienced in matters pertaining to the United States Bankruptcy Code acceptable to each Rating Agency (other than S&P whose acceptance shall not be required) to the extent each such rating agency is then rating the Bonds, that the contemplated use of such monies would not constitute a transfer of property voidable under Section 544 or 547 of the United States Bankruptcy Code, should IRWD become a debtor under such Code or (iv) investment income derived from the investment of monies described in clause (i), (ii) or (iii).

**SECTION 20.04. Amendment of Section 4.07.** Section 4.07 of the Existing Indenture shall be amended to read as follows:

(a) The Remarketing Agent shall use its best efforts to remarket Bonds to be purchased pursuant to Section 4.01, 4.02 or Section 4.03 at the minimum interest rate available in the marketplace to permit the Remarketing Agent to remarket the Bonds on the Purchase Date, Mandatory Purchase Date, Scheduled Mandatory Tender Date or Unscheduled Mandatory Tender Date, as applicable, at the principal amount thereof; provided that the remarketing of Bonds in connection with a Scheduled Mandatory Tender or an Unscheduled Mandatory Tender shall be as provided in Section 5.01 or Section 5.02, as applicable. If the Remarketing Agent remarkets any Bonds pursuant to this Article IV or Article V to the District, the Remarketing Agent and the District shall promptly provide written notice to the Liquidity Provider and the Trustee stating the amount of Bonds purchased.

Bonds subject to purchase pursuant to Section 4.01, Section 4.02 or Section 4.03 shall be purchased from the Owners thereof at the Purchase Price which, shall be payable solely from the following sources in the order listed, except that the Purchase Price in connection with an Unscheduled Mandatory Tender is payable solely from the source described in clause (i) of this subsection (a):

(i) Immediately available funds on deposit in the Remarketing Proceeds Account;



(ii) Immediately available funds on deposit in the Letter of Credit Purchase Account;

(iii) Immediately available funds on deposit in the Liquidity Facility Purchase Account; and

(iv) Immediately available funds on deposit in the District Purchase Account.

(b) At or before 3:00 p.m. on the Business Day immediately preceding each Purchase Date, Mandatory Purchase Date, Scheduled Mandatory Tender Date and Unscheduled Mandatory Tender Date (or 11:15 a.m. on each Purchase Date or Mandatory Purchase Date in the case of Bonds in the Daily Mode, Weekly Mode, Flexible Rate Mode or Term Rate Mode), the Remarketing Agent (i) unless otherwise provided in a Representation Letter, will deliver to the Trustee instructions for registration of the Bonds remarketed in accordance with Section 4.07(e), and (ii) will give Electronic Notice to the Trustee, the Bank, the Liquidity Provider and the District, specifying the aggregate principal amount of Bonds not remarketed which must be purchased by the Liquidity Provider, the Bank, or the District on such date, if any, and the amount of proceeds from the remarketing that will be delivered by the Remarketing Agent to the Trustee on such date, if any. At or prior to 11:15 a.m. on each Purchase Date, Mandatory Purchase Date, Scheduled Mandatory Tender Date and Unscheduled Mandatory Tender Date, the Remarketing Agent will cause to be delivered to the Trustee in immediately available funds the proceeds of the remarketing of Bonds, if any; provided, however, that if the Bonds are registered in the name of a Bond Depository or its nominee, and if the amount of such remarketing proceeds is sufficient to pay the Purchase Price of all Bonds to be purchased on the Purchase Date, Mandatory Purchase Date, Scheduled Mandatory Tender Date or Unscheduled Mandatory Tender Date, as applicable, the Remarketing Agent may apply such remarketing proceeds to the appropriate accounts of such Bond Depository to effect payment of the Purchase Price of Bonds in accordance with the procedures established by such Bond Depository.

(c) If a Liquidity Facility or a Letter of Credit is in effect securing the payment of the Purchase Price of the Bonds and the amount of proceeds from the remarketing of Bonds delivered to the Trustee indicates that Bonds are required to be purchased from the proceeds of a drawing under the Liquidity Facility or Letter of Credit, the Trustee shall draw on the Liquidity Facility or Letter of Credit as provided in Section 4.08(b) or Section 4.08(i), as applicable, and give Electronic Notice to the District at or prior to 11:30 a.m. on such date specifying the information set forth in clause (ii) of Section 4.07(b). The aggregate amount of Bonds specified in such notice to be purchased from the proceeds of a drawing under the Liquidity Facility or Letter of Credit shall not be reduced. If a Liquidity Facility or Letter of Credit is in effect securing the payment of the Purchase Price of the Bonds and the amount of proceeds from the remarketing delivered to the Trustee plus the proceeds received by the Trustee from a drawing under the Liquidity Facility or Letter of Credit pursuant to Section 4.08(b) or Section 4.08(i), as applicable, is not sufficient to pay the Purchase Price of the Bonds to be purchased, the Trustee shall give Electronic Notice to the District at or prior to 12:15 p.m. on such date

specifying the amount required to enable the Trustee to pay the Purchase Price of the tendered Bonds. Upon receipt of such notice the District shall deposit with the Trustee in the District Purchase Account, by 2:00 p.m. on such date, immediately available funds in an amount together with the remarketing proceeds plus the proceeds received by the Trustee from a drawing under the Liquidity Facility or Letter of Credit, to enable the Trustee to pay the Purchase Price of the tendered Bonds.

(d) If a Liquidity Facility or Letter of Credit is not in effect securing the payment of the Purchase Price of the Bonds and the amount of proceeds from the remarketing delivered to the Trustee indicates that Bonds are required to be purchased from moneys provided by the District, the Trustee shall give Electronic Notice to the District at or prior to 11:30 a.m. on such date specifying the information set forth in clause (ii) of Section 4.07(b). Upon receipt of such notice the District shall deposit with the Trustee in the District Purchase Account, by 2:00 p.m. on such date, immediately available funds in an amount together with the remarketing proceeds, to enable the Trustee to pay the Purchase Price of the tendered Bonds.

(e) Unless otherwise provided in a Representation Letter, on each Purchase Date, Mandatory Purchase Date, Scheduled Mandatory Tender Date and Unscheduled Mandatory Tender Date, all Bonds which (i) have been remarketed shall be registered as directed by the Remarketing Agent or (ii) are required to be purchased by a Liquidity Provider or Bank shall be immediately registered in the name of the Liquidity Provider, Bank, or its designee as directed by the Liquidity Provider or Bank. The Trustee shall make such Bonds available at its Corporate Trust Office. In the absence of any instructions from the Liquidity Provider or Bank, Liquidity Provider-Owned Bonds will be held by the Trustee. The Trustee shall not release remarketed Liquidity Provider-Owned Bonds held by it until the Liquidity Facility or Letter of Credit has been reinstated as a result of such remarketing and the Trustee receives, and holds for the Liquidity Provider or Bank, the remarketing proceeds thereof.

(f) The Trustee shall pay from the funds specified in subsection (a) of this Section, the Purchase Price for each tendered Bond at or prior to 3:00 p.m. on the Purchase Date, Mandatory Purchase Date, Scheduled Mandatory Tender Date or Unscheduled Mandatory Tender Date, as the case may be; provided that the Purchase Price of Bonds in connection with an Unscheduled Mandatory Tender shall be payable only from amounts in the Remarketing Proceeds Account. The Purchase Price of any Bond so tendered shall be payable only upon surrender of such Bond to the Trustee at its Corporate Trust Office for delivery of such Bond accompanied, when the Bonds are not in a book-entry system, by an instrument of transfer thereof, in form satisfactory to the Trustee, executed in blank by the Owners thereof or their duly authorized attorney, with such signature guaranteed by a bank, trust company or member firm of the New York Stock Exchange. Payment of the Purchase Price of any Bond tendered for purchase or otherwise purchased pursuant to a Representation Letter shall be made in immediately available funds or in such manner as such Owner and the Trustee shall agree.

(g) Notwithstanding any provision to the contrary contained in this Article IV, all Liquidity Provider-Owned Bonds, except Bonds being registered on such date in the

name of, or on behalf of, the Liquidity Provider or Bank pursuant to Section 4.07(c), shall be deemed tendered to the Remarketing Agent on each Business Day without the need for any Tender Notice or delivery of such Bonds. The Remarketing Agent shall remarket such Liquidity Provider-Owned Bonds on each Business Day in accordance with the Indenture and the Remarketing Agreement. The Remarketing Agent shall immediately notify the Liquidity Provider or Bank by Electronic Notice when Liquidity Provider-Owned Bonds have been remarketed in accordance with the Indenture and the Remarketing Agreement.

(h) Notwithstanding any provision to the contrary contained in this Article IV, all tenders for purchase during any period in which the Bonds are registered in the name of Cede & Co. (or the nominee of any successor Bond Depository) shall be subject to the terms and conditions set forth in the Representation Letter and any rules and regulations promulgated by DTC. Subject thereto, the Bonds may be tendered by means of a book-entry credit of such Bonds to the account of the Remarketing Agent; provided, however, that under circumstances permitted by such rules and regulations notice of tender shall be given by a purchaser of Bonds on behalf of the beneficial owner of such Bonds; and provided further that, if the Remarketing Agent notifies the Trustee that Bonds have been remarketed pursuant to the Indenture, such Bonds may be treated as being tendered upon a book-entry transfer of such Bonds from the account of the tendering party to the credit of the account of the purchaser of such Bonds.

(i) Notwithstanding any provision to the contrary contained in this Article IV, all tenders for purchase in connection with an Unscheduled Mandatory Tender shall be payable only from the proceeds of the remarketing of Bonds specified in Section 4.07(a)(i).

**SECTION 20.05. Heading of Section 4.08.** The heading of Section 4.08 of the Existing Indenture shall be amended to read “Liquidity Facility; Letter of Credit.”

**SECTION 20.06. Amendment of Section 4.08(a), (b), and (f).** Section 4.08(a), Section 4.08(b), and Section 4.08(f) of the Existing Indenture shall be amended to read as follows, respectively:

(a) At any time and from time to time, the District may, but is not required to, cause a Liquidity Facility or Letter of Credit to be provided by a Liquidity Provider or Bank to secure the payment when due hereunder of the Purchase Price of Bonds. The District may cause any such Liquidity Facility or Letter of Credit to be terminated on any Business Day, subject to the provisions of Article IV with respect to a Mandatory Purchase Date with respect to such termination. The District may, but is not required to, replace any terminating Liquidity Facility or Letter of Credit with a new Liquidity Facility or Alternate Credit Facility, respectively.

(b) While a Liquidity Facility is in effect, on each Purchase Date, Mandatory Purchase Date, and Scheduled Mandatory Tender Date, the Trustee shall prior to 12:00 noon, draw on the Liquidity Facility in accordance with the terms thereof so as to receive thereunder by 2:45 p.m. on such date an amount, in immediately available funds,

sufficient, together with the proceeds of the remarketing of Bonds on such date, to enable the Trustee to pay the Purchase Price of all Bonds due on such Purchase Date, Mandatory Purchase Date or Scheduled Mandatory Tender Date, as applicable. In connection with any Mandatory Purchase Date due to the substitution of a new Liquidity Facility for a current Liquidity Facility, the Trustee shall draw on the current Liquidity Facility and not the new Liquidity Facility to pay the Purchase Price of the Bonds in connection with said substitution. If the Trustee has not received the notice pursuant to Section 4.07(b)(ii) specifying the amount of proceeds of the remarketing of Bonds on a Purchase Date, Mandatory Purchase Date, or Scheduled Mandatory Tender Date, the Trustee shall draw on the Liquidity Facility in an amount sufficient to enable the Trustee to pay the Purchase Price of all Bonds due on such Purchase Date, Mandatory Purchase Date, or Scheduled Mandatory Tender Date, as applicable. The proceeds of such draw shall immediately be transferred to the Trustee, who shall deposit said proceeds in the Liquidity Facility Purchase Account.

(f) The District shall have no obligation to maintain a Liquidity Facility in effect for any period of time regardless of which Mode is in effect for the Bonds. The Trustee may accept, hold and draw upon the Liquidity Facility issued by itself or by any of its corporate affiliates to provide security and a source of payment for the Bonds. The Trustee covenants that it shall at all times maintain adequate controls to manage any potential conflict of interest. Notwithstanding any other provision herein to the contrary, while the Liquidity Provider or Bank issuing a Liquidity Facility or Letter of Credit is the Trustee or an affiliate of the Trustee and such Liquidity Provider or Bank has not failed to honor a properly presented draw on the Liquidity Facility or Letter of Credit, the Trustee shall have no discretion with respect to the acceleration of the Bonds and shall do so only upon the written direction of such Liquidity Provider or Bank issuing the Liquidity Facility or Letter of Credit. The Trustee shall immediately tender its resignation and take prompt steps to have a successor trustee appointed satisfying the requirements of the Indenture if such affiliated Liquidity Provider or Bank shall fail at any time to honor a properly presented draw on the Liquidity Facility or Letter of Credit.

**SECTION 20.07. Addition to Section 4.08.** The following subsections shall be added to Section 4.08 of the Existing Indenture immediately following clause (f) of such Section:

(g) While the Letter of Credit is in effect, during the Daily Mode, the Weekly Mode, the Monthly Mode, the Semi-Annual Mode, or the Annual Mode, the Trustee shall, by 3:00 p.m. on the Business Day preceding each Interest Payment Date, Principal Payment Date, Redemption Date and Maturity Date, and immediately upon a declaration of acceleration, draw on the Letter of Credit in accordance with the terms thereof so as to receive thereunder by 12:00 noon on said Interest Payment Date, Principal Payment Date, Redemption Date and Maturity Date, or as soon as practicable following a declaration of acceleration, as the case may be, an amount, in immediately available funds, equal to the amount of principal and interest payable on the Bonds on such Interest Payment Date, Redemption Date, Maturity Date, or the date principal and accrued interest on the Bonds is due and payable as a result of a declaration of acceleration. The proceeds of such draws under paragraph (a) of this Section 4.08 shall be deposited in the Letter of Credit Account, which constitutes an Eligible Account.

(h) While the Letter of Credit is in effect, during the Flexible Rate Mode or Term Rate Mode, the Trustee shall, by 3:00 p.m. on the last Business Day of each calendar month and on the Business Day preceding each Principal Payment Date, Redemption Date and Maturity Date, and immediately upon a declaration of acceleration, by Electronic Notice, draw on the Letter of Credit in accordance with the terms thereof so as to receive thereunder by 12:00 noon: (i) on the first Business Day of the next calendar month, an amount equal to the amount of interest accrued on the Flexible Rate Bonds or Term Rate Bonds during the previous calendar month whether or not paid or due; or (ii) on said Principal Payment Date, Redemption Date, Maturity Date or as soon as practicable following a declaration of acceleration, as the case may be, the amount of interest payable on the Bonds on such Principal Payment Date, Redemption Date, Maturity Date or as a result of a declaration of acceleration. The proceeds of such draws under this paragraph shall be deposited in the Letter of Credit Account.

(i) While the Letter of Credit is in effect, on each Purchase Date and Mandatory Purchase Date the Trustee shall prior to 12:00 noon, draw on the Letter of Credit in accordance with the terms thereof so as to receive thereunder by 2:45 p.m. on such date an amount, in immediately available funds, sufficient, together with the proceeds of the remarketing of Bonds on such date, to enable the Trustee to pay the Purchase Price of all Bonds due on such Purchase Date or Mandatory Purchase Date. In connection with any Mandatory Purchase Date due to the substitution of an Alternate Letter of Credit for a Letter of Credit, the Trustee shall draw on the Letter of Credit and not the Alternate Letter of Credit to pay the Purchase Price of the Bonds in connection with said substitution. If the Trustee has not received the notice pursuant to Section 4.07(e) specifying the amount of proceeds of the remarketing of Bonds on such Purchase Date or Mandatory Purchase Date, the Trustee shall draw on the Letter of Credit in an amount sufficient to enable the Trustee to pay the Purchase Price of all Bonds due on such Purchase Date or Mandatory Purchase Date. The proceeds of such draw shall immediately be transferred to the Trustee, who shall deposit said proceeds in the Letter of Credit Purchase Account, which constitutes an Eligible Account.

(j) Notwithstanding the foregoing paragraphs of this Section, the Trustee shall not draw on the Letter of Credit with respect to any payments due or made in connection with Liquidity Provider-Owned Bonds or Bonds held in the name of the District or Bonds held for the account of the District. The District agrees to provide the Trustee notice of any Bonds held for the account of the District and the Trustee may conclusively rely on such notice as to any Bonds held for the account of the District.

(k) If at any time there shall have been delivered to the Trustee (i) an Alternate Letter of Credit in substitution for the Letter of Credit then in effect, (ii) a Favorable Opinion of Bond Counsel, and (iii) a written opinion of counsel to the provider of the Alternate Letter of Credit to the effect that such Alternate Letter of Credit constitutes the valid and binding agreement of the provider thereof; (iv) a rating for the Bonds upon the substitution of such Alternate Letter of Credit for the Letter of Credit then in effect from each Rating Agency selected by the District and (v) written evidence satisfactory to the Bank of the provision for purchase from the Bank of all Liquidity Provider-Owned Bonds, at a price equal to the principal amount thereof plus accrued and

unpaid interest, and payment of all amounts due it under the Reimbursement Agreement on or before the effective date of such Alternate Letter of Credit, then the Trustee shall accept such Alternate Letter of Credit on the Substitution Date and shall surrender the Letter of Credit then in effect to the Bank after funds have been received by the Trustee pursuant to the draw to pay the Purchase Price of the Bonds in connection with the substitution. The District shall give the Trustee and the Bank written notice of the proposed substitution of an Alternate Letter of Credit for the Letter of Credit then in effect no less than 40 days prior to the proposed Substitution Date.

(l) The Trustee shall not sell, assign or otherwise transfer the Letter of Credit or an Alternate Letter of Credit, except to a successor Trustee hereunder and in accordance with the terms of the Letter of Credit or the Alternate Letter of Credit, as applicable, and this Indenture.

(m) The District shall have no obligation to maintain the Letter of Credit or an Alternate Letter of Credit in effect for any period of time regardless of which Mode is in effect for the Bonds.

**SECTION 20.08. Addition and Amendment to Section 4.10.** Section 4.10(d) shall be added to the Existing Indenture following Section 4.10(c) and read as follows:

(d) Letter of Credit Purchase Account. The Trustee shall establish a separate account within the Purchase Fund to be known as the “Letter of Credit Purchase Account.” Upon receipt from the Trustee of the immediately available funds transferred to the Trustee pursuant to Section 4.08(i), the Trustee shall deposit such money in the Letter of Credit Purchase Account for application to the Purchase Price of the Bonds. Any amounts deposited in the Letter of Credit Purchase Account and not needed with respect to any Purchase Date, Mandatory Purchase Date or Scheduled Mandatory Tender Date for the payment of the Purchase Price for any Bonds shall be immediately returned to the Bank.

In addition, the existing Section 4.10(d) in the Existing Indenture shall be renumbered as Section 4.10(e), and shall be amended as follows:

(e) Investment. Amounts held in the Liquidity Facility Purchase Account, the Letter of Credit Purchase Account, and the Remarketing Proceeds Account by the Trustee shall be held uninvested.

**SECTION 20.09. Amendment of Section 4.11.** Section 4.11 of the Existing Indenture shall be amended in its entirety to read as follows:

**Bonds Not Payable from Liquidity Facility or Letter of Credit.** In determining the amount of any the Purchase Price of any Bond payable from a draw on a Liquidity Facility or Letter of Credit on any Purchase Date, Mandatory Purchase Date or Scheduled Mandatory Tender Date, the Trustee shall not take into consideration any Purchase Price due on Bonds registered in the name of the District or any affiliate of the District to the extent identified to a Responsible Officer of the Trustee in writing or in the name of the Liquidity Provider or Bank and no demand for purchase under the applicable

Liquidity Facility or Letter of Credit shall be made to pay the Purchase Price of any Bonds registered in the name of the District or any affiliate of the District to the extent identified in writing to a Responsible Officer of the Trustee or in the name of the Liquidity Provider or Bank.

**SECTION 20.10. Amendment of Section 4.12.** Section 4.12 of the Existing Indenture shall be amended in its entirety to read as follows:

**Notice of Remarketing of Liquidity Provider Bonds; Election Not to Sell Liquidity Provider Bonds.** The Remarketing Agent shall continue to use its best efforts to remarket Liquidity Provider Bonds at a price which, together with any moneys to be provided by the District under the Indenture, will equal the principal amount thereof plus accrued and unpaid interest thereon to such date. The Liquidity Provider or Bank (or any subsequent Owner of a Liquidity Provider Bond) shall have the right, by written notice or by telephonic notice, promptly confirmed in writing, to the Remarketing Agent and the Trustee, to elect not to sell the Liquidity Provider Bonds or any portion thereof. From and after any sale by the Remarketing Agent and receipt by the Trustee on behalf of the Liquidity Provider or Bank (or any subsequent Owner of the Liquidity Provider Bonds) of the Purchase Price therefor (including accrued interest to the date of delivery) and notification by the Liquidity Provider of the reinstatement of the applicable Liquidity Facility in the principal amount equal to such Liquidity Provider Bonds, or in the event of any such election not to sell the Liquidity Provider Bonds, such Bonds shall cease to be Liquidity Provider Bonds and shall bear interest as provided herein for Bonds other than Liquidity Provider Bonds.

**SECTION 20.11. Amendment of Section 6.01.** Section 6.01 of the Existing Indenture shall be amended in its entirety to read as follows:

**Pledge of Trust Estate.** Subject to the application of the Revenues on the terms and conditions provided in Section 6.02, the Revenues are hereby irrevocably pledged to the payment when due of the principal, Purchase Price and Redemption Price of, and interest on, the Outstanding Bonds, and the obligations owing to the Liquidity Provider or the Bank under the Reimbursement Agreement, which pledge shall be on a parity with any pledge of Revenues securing other Parity Obligations. This pledge shall constitute a pledge of and charge and lien upon the Revenues for the payment of the principal, Purchase Price and Redemption Price of, and interest on, the Outstanding Bonds and all other Parity Obligations in accordance with the terms hereof and thereof after payment from the Revenues of the Operation and Maintenance Expenses, and the funding of contingency reserves therefor, as provided in the Indenture.

**SECTION 20.12. Amendment to Section 6.03.** Section 6.03 (a), (b), and (c) to the Existing Indenture shall be amended in its entirety to read as follows:

(a) **Interest Account.** When a Letter of Credit is in effect, the Trustee, on each Interest Payment Date, shall withdraw and apply monies in the Interest Account, if any, to reimburse the Bank for draws on the Letter of Credit pursuant to paragraph (g) of Section 4.08 hereof to pay interest on the Bonds payable on such Interest Payment Date.

When no Letter of Credit is in effect, the Trustee, on each Interest Payment Date, shall deposit in the Interest Account from money in the Bond Payment Fund an amount which, together with amounts already on deposit in the Interest Account shall be sufficient to pay interest on the Outstanding Bonds due on such Interest Payment Date. Money in the Interest Account shall be used and withdrawn by the Trustee on each Interest Payment Date solely for the payment of interest on the Outstanding Bonds or reimbursement of the Bank for such payment, as aforesaid.

(b) Principal Account. When a Letter of Credit is in effect, the Trustee, on each Principal Payment Date, shall withdraw and apply monies in the Principal Account, if any, to reimburse the Bank for draws on the Letter of Credit pursuant to paragraph (g) or (h) of Section 4.04 hereof to pay principal of the Bonds payable on such Principal Payment Date. When no Letter of Credit is in effect, the Trustee, on each Principal Payment Date, shall deposit in the Principal Account from money in the Bond Payment Fund such amount as shall be sufficient to pay the principal of the Outstanding Bonds due on such Principal Payment Date. Money in the Principal Account shall be used and withdrawn by the Trustee on each Principal Payment Date solely for the payment of the principal of Outstanding Bonds or reimbursement of the Bank for such payment, as aforesaid.

(c) Redemption Account. When the Letter of Credit is in effect, the Trustee shall deposit in the Redemption Account amounts received from the District to pay the premium on Bonds to be redeemed pursuant to Section 3.02 hereof. The Trustee shall apply amounts received from the District, which amounts shall not be commingled with other amounts in the Redemption Account, to pay the premium on Bonds to be redeemed pursuant to Section 3.02 hereof only if and to the extent that such amounts constitute Seasoned Funds on the date of application. When no Letter of Credit is in effect, the Trustee shall deposit in the Redemption Account amounts received from the District to pay the Redemption Price of Bonds to be redeemed. When no Letter of Credit is in effect, money in the Redemption Account shall be used and withdrawn by the Trustee on each Redemption Date solely for the payment of the Redemption Price of Outstanding Bonds upon the redemption thereof pursuant to paragraph (a) of Section 3.01 or Section 3.05 hereof.

**SECTION 20.13. Addition to Section 6.03.** Section 6.03 (d) shall be added to the Existing Indenture following Section 6.03(c) and read as follows:

(d) Letter of Credit Account. The Trustee shall deposit the proceeds of draws on the Letter of Credit made pursuant to paragraphs (g) and (h) of Section 4.08 hereof in the Letter of Credit Account. When the Letter of Credit is in effect, money in the Letter of Credit Account shall be used and withdrawn by the Trustee on each Interest Payment Date (except during the Flexible Rate Mode), each Principal Payment Date and each Redemption Date and used to pay the interest on and principal of the Bonds (whether at maturity, redemption or acceleration).



**SECTION 20.14. Amendment of Section 7.01.** Section 7.01 of the Existing Indenture shall be amended in its entirety to read as follows:

**Payment of Bonds.** The District will promptly pay, or cause to be paid, the principal, Purchase Price, and Redemption Price of, and interest on the Bonds on the dates and in the manner provided in the Bonds, but only from the sources available therefor under the Indenture. From such available sources, the District will provide the Trustee sufficient monies to enable the Trustee to make all payments of principal, Purchase Price, and Redemption Price of, and interest on, the Bonds as provided in the Indenture and the Bonds, except that the District will pay directly to the Bank all amounts payable in respect of Liquidity Provider-Owned Bonds.

**SECTION 20.15. Amendment of Section 7.02.** The last sentence of Section 7.02 of the Existing Indenture shall be amended as follows:

Except as provided below, the District shall transfer from the General Obligation Bond Fund (i) while the Letter of Credit is in effect, to the Bank monies at such times and in such amounts as are sufficient to reimburse the Bank, in accordance with the terms of the Reimbursement Agreement, for draws made on the Letter of Credit pursuant to paragraphs (g), (h) and (i) of Section 4.08 hereof; provided, however, that to the extent monies are available in the Principal Account or the Interest Account to pay the principal of or interest on the Bonds, the Trustee shall withdraw and apply monies in the Principal Account or the Interest Account, as appropriate, as directed in writing by the District to reimburse the Bank for draws made on the Letter of Credit pursuant to paragraphs (g), (h) and (i) of Section 4.08 hereof, and (ii) while no Letter of Credit is in effect, to the Trustee for deposit in the Bond Payment Fund monies at such times and in such amounts as are sufficient for the Trustee to make the transfers from the Bond Payment Fund as provided herein.

**SECTION 20.16. Amendment of Section 7.04.** The third full paragraph of Section 7.04(b) of the Existing Indenture that begins “In the event that on the first day of any Bond Year...” shall be amended as follows:

In the event that on the first day of any Bond Year the amount credited to the Rebate Fund exceeds the Rebate Requirement, the District shall withdraw the excess from the Rebate Fund and when a Letter of Credit is in effect apply such excess to reimburse the Bank for the draw on the Letter of Credit for the payment of interest on the Bonds, or when no Letter of Credit is in effect, transfer such excess to the Trustee for credit to the Interest Account of the Bond Payment Fund.

**SECTION 20.17. Addition to Section 8.01.** Section 8.01 (d) shall be added to the Existing Indenture following Section 8.01(c) and read as follows:

(d) The Trustee receives written notice from the Bank that the District has not reimbursed the Bank for a drawing under the Letter of Credit to pay interest or that any other event of default has occurred and is continuing under the Reimbursement Agreement; and

In addition, the existing Section 8.01(d) in the Existing Indenture shall be renumbered as Section 8.01(e).

**SECTION 20.18. Addition of Section 8.13.** Section 8.13 shall be added to the Existing Indenture following Section 8.12 and read as follows:

**Bank’s Right to Direct Remedies.** Notwithstanding anything to the contrary in this Indenture contained, so long as the Letter of Credit is in effect and the Bank is not in default of its obligations under the applicable Reimbursement Agreement, the Bank, acting alone: (i) shall have the right to direct all remedies upon the occurrence of an Event of Default and there shall be no acceleration of the Bonds without the consent of the Bank; (ii) shall be deemed the sole Owner of the Bonds for all purposes of this Indenture (including for purposes of Article X); and (iii) shall have the right to institute any suit, action, or proceeding at law or in equity under the same terms as a Bondholder in accordance with applicable provisions of this Indenture; provided, however, that nothing in this Section shall be deemed to restrict the rights of the Bank as the subrogee of Bondholder rights pursuant to this Indenture.

**SECTION 20.19. Amendment of Section 11.01.** The phrase currently reading “including all fees and expenses of the Trustee have been paid in full” in Section 11.01(a) shall be amended to read as follows:

including all fees and expenses of the Trustee and all amounts owing to the Bank under the Reimbursement Agreement have been paid in full and the Letter of Credit has been returned to the Bank by the Trustee

**SECTION 20.20. Amendment of Section 11.02.** Subsection (b) of Section 11.02 shall be amended to read as follows:

(b) there shall have been deposited with the Trustee either monies (which monies, if a Letter of Credit is then in effect, shall constitute Seasoned Funds), in an amount which shall be sufficient, or Government Obligations (which Government Obligations, if a Letter of Credit is then in effect, shall constitute Seasoned Funds), the principal of and the interest on which when due, and without any reinvestment thereof, will provide monies which, together with the monies (which monies, if a Letter of Credit is then in effect, shall constitute Seasoned Funds), if any, deposited with or held by the Trustee at the same time, shall be sufficient (as verified by an Accountant’s Report), to pay when due the principal, or Redemption Price, as applicable, of, and interest due and to become due on, said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, and, unless the Liquidity Facility, Letter of Credit, or Alternate Letter of Credit then in effect, if any, remains in effect, the Purchase Price of any Bonds which may be tendered for purchase pursuant to Section 4.01 hereof and, with respect to any period to the Redemption Date or maturity date thereof, as the case may be, as to which the interest rate on the Bonds has not been set by the applicable Remarketing Agent, the interest on the Bonds shall be calculated at the Maximum Rate, and

## ARTICLE XXI

### MISCELLANEOUS

**SECTION 21.01. Indenture to Remain in Effect.** Save and except as amended by this Third Supplemental Indenture, the Existing Indenture shall remain in full force and effect.

**SECTION 21.02. Notice to Rating Agencies.** Pursuant to Section 12.12 of the Indenture, the Trustee shall give notice of this Third Supplemental Indenture to the Rating Agencies.

**SECTION 21.03. Counterparts.** This Third Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 21.04. Effective Date.** In accordance with Section 10.01(d) of the Indenture, the effective date of this Third Supplemental Indenture shall be the date in which the District delivers to the Trustee a Favorable Opinion of Bond Counsel in connection with this Third Supplemental Indenture.

**IN WITNESS WHEREOF**, the District has caused the Third Supplemental Indenture of Trust to be signed in its name and on its behalf by its duly authorized signatories, and its seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused the Third Supplemental Indenture to be signed in its name and on its behalf by its duly authorized signatories.

**IRVINE RANCH WATER DISTRICT**

[SEAL]

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

ATTEST:

\_\_\_\_\_  
Secretary

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee**

By: \_\_\_\_\_  
Authorized Signatory

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**REIMBURSEMENT AGREEMENT**

between

**IRVINE RANCH WATER DISTRICT**

and

**BANK OF AMERICA, N.A.**

Relating to the

\$38,760,000  
BONDS OF IRVINE RANCH WATER DISTRICT,  
REFUNDING SERIES 2011 A-1

Dated as of February 1, 2024

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Table of Contents

	Page
ARTICLE I	DEFINITIONS AND ACCOUNTING TERMS ..... 1
Section 1.1.	Definitions..... 1
Section 1.2.	Accounting Terms..... 11
Section 1.3.	Construction..... 11
ARTICLE II	ISSUANCE OF LETTER OF CREDIT; AND PAYMENTS ..... 11
Section 2.1.	Issuance of Letter of Credit..... 11
Section 2.2.	Reimbursements of Drawings and Other Payments ..... 12
Section 2.3.	Certain Provisions with Respect to Liquidity Drawings..... 15
Section 2.4.	Liquidity Provider-Owned Bonds..... 17
Section 2.5.	Termination of Letter of Credit..... 17
Section 2.6.	Extension of Termination Date..... 17
Section 2.7.	Security and Pledge..... 17
Section 2.8.	Computation of Interest ..... 18
ARTICLE III	LIQUIDITY PROVIDER-OWNED BONDS; LETTER OF CREDIT PAYMENTS ..... 18
Section 3.1.	Remarketing of Bonds Registered in the Name of the Bank ..... 18
Section 3.2.	Payment of Drawings on Letter of Credit..... 18
Section 3.3.	Payment in Respect of Liquidity Provider-Owned Bonds..... 18
ARTICLE IV	REPRESENTATIONS AND WARRANTIES..... 18
Section 4.1.	Existence ..... 18
Section 4.2.	Power and Authorization ..... 19
Section 4.3.	No Legal Bar..... 19
Section 4.4.	Compliance With Laws..... 19
Section 4.5.	Consents..... 19
Section 4.6.	Litigation..... 19
Section 4.7.	Enforceability..... 20
Section 4.8.	Changes in Law..... 20
Section 4.9.	Financial Statements ..... 20
Section 4.10.	Disclosure of Information ..... 20
Section 4.11.	IRS Listing..... 20
Section 4.12.	Tax-Exempt Status..... 20
Section 4.13.	Financing Documents ..... 20
Section 4.14.	Regulations U and X..... 21
Section 4.15.	Default, Etc ..... 21
Section 4.16.	Pledge of Trust Estate ..... 21
Section 4.17.	Sovereign Immunity..... 21
Section 4.18.	No Limitation on Interest Rate ..... 21
Section 4.19.	Security ..... 21
Section 4.20.	Environmental Matters..... 21

Table of Contents  
(continued)

	Page
Section 4.21. Solvency.....	21
Section 4.22. Sanctions.....	22
ARTICLE V COVENANTS .....	22
Section 5.1. Affirmative Covenants of IRWD.....	22
Section 5.2. Negative Covenants of IRWD .....	26
ARTICLE VI CONDITIONS PRECEDENT .....	30
Section 6.1. Conditions to Issuance and Delivery of Letter of Credit .....	30
Section 6.2. Conditions Precedent to Liquidity Drawings and Term Loans .....	32
ARTICLE VII EVENTS OF DEFAULT .....	32
Section 7.1. Events of Default .....	32
Section 7.2. Remedies.....	34
Section 7.3. No Waiver of Remedies.....	35
Section 7.4. Remedies Not Exclusive .....	35
ARTICLE VIII MISCELLANEOUS .....	35
Section 8.1. No Waiver; Modifications in Writing.....	35
Section 8.2. Further Assurances.....	36
Section 8.3. Notices, Etc .....	36
Section 8.4. Costs, Expenses and Taxes .....	37
Section 8.5. Assignments, Participations, etc .....	37
Section 8.6. Execution in Counterparts.....	38
Section 8.7. Entire Agreement.....	39
Section 8.8. Binding Effect; Assignment.....	39
Section 8.9. Governing Law; Venue.....	39
Section 8.10. WAIVER OF JURY TRIAL.....	39
Section 8.11. Severability of Provision.....	40
Section 8.12. Headings .....	40
Section 8.13. Right of Setoff.....	40
Section 8.14. Actions Relating to the Financing Documents; Indemnity.....	41
Section 8.15. Notice to Trustee.....	43
Section 8.16. USA Patriot Act .....	43
Section 8.17. No Advisory or Fiduciary Relationship.....	43
Section 8.18. US QFC Stay Rules .....	43
APPENDIX A LETTER OF CREDIT	
APPENDIX B NO EVENT OF DEFAULT CERTIFICATE	
APPENDIX C CUSTODIAN AGREEMENT	

**THIS REIMBURSEMENT AGREEMENT** dated as of February 1, 2024 (as the same be amended, supplemented or modified from time to time, this “Agreement”) between **IRVINE RANCH WATER DISTRICT**, a California water district (“IRWD”) and **BANK OF AMERICA, N.A.**, a national banking association (the “Bank”).

WITNESSETH:

WHEREAS, IRWD issued its Bonds of Irvine Ranch Water District, Refunding Series 2011A-1 in the original principal amount of \$60,545,000 (the “Bonds”), constituting the consolidated several general obligations of Improvement District Nos. 105, 113, 213 and 250 (the “Applicable Improvement Districts”), pursuant to an Indenture of Trust dated as of April 1, 2011 (as the same may be amended, supplemented or modified from time to time, the “Indenture”), by and between IRWD and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”);

WHEREAS, IRWD has requested the Bank to issue a Letter of Credit (as hereinafter defined) for the payment by the Trustee, when and as due, of the principal and purchase price of and interest on the Bonds; and

WHEREAS, the Bank is willing to issue the Letter of Credit upon the terms and conditions provided herein;

NOW, THEREFORE, in order to provide for and to evidence the obligation of IRWD to reimburse any drawings under the Letter of Credit, and in consideration of the promises and of the commitments made hereunder and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

**ARTICLE I**

**DEFINITIONS AND ACCOUNTING TERMS**

**Section 1.1. Definitions.** Unless otherwise defined herein or the context otherwise requires, capitalized terms used herein shall have the meanings set forth in Section 1.01 of the Indenture. In addition, the following terms as used in this Agreement shall have the following meanings, unless the context otherwise requires. These definitions shall be equally applicable to both the singular and the plural forms of the terms so defined.

“*Act*” has the meaning set forth in the Indenture.

“*Affiliate*” means, as to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to be “controlled by” any other Person if such other Person possesses, directly or indirectly, power (a) to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing general partners; or (b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

“*Agreement*” has the meaning set forth in the introductory paragraph hereof.



“*Aggregate Debt Service*” means, for any period, the Debt Service on all outstanding Parity Obligations during such period.

“*Alternate Letter of Credit*” has the meaning set forth in the Indenture.

“*Amortization End Date*” has the meaning set forth in Section 2.3(b) hereof.

“*Amortization Period*” has the meaning set forth in Section 2.3(b) hereof.

“*Applicable Fiscal Year*” means, with respect to the satisfaction of the requirements of Section 5.2(k) with respect to additional Parity Obligations, that Fiscal Year as to which the audited financial statements of IRWD are available and which immediately precedes that Fiscal Year selected by IRWD in which either the additional Parity Obligations are issued or the Board of Directors of IRWD adopts the resolution authorizing the issuance of such Parity Obligations.

“*Applicable Improvement Districts*” has the meaning set forth in the recitals hereof.

“*Assessment Proceeds*” means, with respect to any Improvement District: (i) ad valorem assessments on taxable land in such Improvement District levied pursuant to the Act; (ii) In Lieu Charges fixed and collected by IRWD within such Improvement District; and (iii) proceeds from the sale of property in such Improvement District for the enforcement of delinquent assessments pursuant to the Act.

“*Assignee*” has the meaning set forth in Section 8.5(a) hereof.

“*Bank*” has the meaning set forth in the introductory paragraph hereof.

“*Bank Obligations*” means all obligations of IRWD to the Bank under the Fee Letter, any and all obligations of IRWD to reimburse the Bank for any drawings under the Letter of Credit, and all other obligations of IRWD to the Bank arising under or in relation to this Agreement and/or the Custodian Agreement.

“*Bank Rate*” means, for each day of determination with respect to any Liquidity Advance or Term Loan, a rate per annum equal to the greater of (i) the Bond Rate and (ii) (A) the Base Rate, for the period from and including the Purchase Date of the related Liquidity Provider-Owned Bond to and including the earlier of (x) the Termination Date and (y) the 90<sup>th</sup> day following such Purchase Date, and (B) the Base Rate plus one percent (1%), for the period from and including the earlier of (x) the Termination Date and (y) the 91<sup>st</sup> day following such Purchase Date; provided that from and after the occurrence of an Event of Default, the Bank Rate shall mean the Default Rate.

“*Bank-Related Persons*” means the Bank, its Affiliates and the officers, directors, employees, agents and attorneys-in-fact of the Bank and Affiliates.

“*Base Rate*” means, for each day of determination, a rate of interest per annum equal to the highest of (i) the Prime Rate plus one percent (1%); (ii) the Federal Funds Rate plus two percent (2%); and (iii) seven percent (7%).

“*BHC Act Affiliate*” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“*Bond Counsel*” Orrick, Herrington & Sutcliffe LLP, or another nationally recognized bond counsel selected by IRWD.

“*Bond Rate*” means, for each day of determination, the rate per annum borne by Bonds other than Liquidity Provider-Owned Bonds on such day.

“*Bonds*” has the meaning set forth in the recitals hereof.

“*Change of Law*” means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation, statute, treaty, policy, guideline or directive by any Governmental Authority, (b) any change in any law, rule, regulation, statute, treaty, policy, guideline or directive or in the application, interpretation, promulgation, implementation, administration or enforcement thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“*Covered Entity*” means any of the following:

(a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Credit Support Agreement*” means, (i) with respect to any Credit Support Instrument, other than a Revenue Enhancement Agreement, the agreement or agreements (which may be the Credit Support Instrument itself) between IRWD and the obligor under such Credit Support Instrument, as originally executed or as it may from time to time be replaced, supplemented or amended, providing for the reimbursement of payments under such Credit Support Instrument, and the interest thereon, and includes any subsequent agreement pursuant to which a substitute Credit Support Instrument is provided, together with any related pledge agreement, security agreement or other security document and (ii) with respect to any Revenue Enhancement Agreement, the Revenue Enhancement Agreement itself, together with any related pledge agreement, security agreement or other security document.

“*Credit Support Instrument*” means any of: (i) a policy of insurance, a letter of credit, a line of credit, a standby purchase agreement, revolving credit agreement or other credit arrangement providing credit or liquidity support with respect to the payment of interest, principal or purchase price of any Parity Obligations; (ii) a Prior Reimbursement Agreement; or (iii) a policy of insurance, a letter of credit, a line of credit, a standby bond purchase agreement or other credit arrangement, including a Revenue Enhancement Agreement, providing credit or liquidity support with respect to the payment of interest, principal or purchase price of any General Obligations Bonds.

“*Custodian Agreement*” means the Custodian Agreement dated as of February 1, 2024, among the Bank, IRWD and The Bank of New York Mellon Trust Company, in its capacity as custodian, the form of which is attached hereto as Appendix C.

“*Debt*” means, for any Person (without duplication), (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (d) all capital leases of such Person, (e) all obligations of such Person to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities (or property), (f) all obligations of such Person to reimburse any bank or other Person in respect of amounts paid or advanced under the letter of credit or other instrument, (g) all Debt of others secured by a lien on any asset of such Person, including any guaranties, whether or not such Debt is assumed by such Person, (h) all Debt of others guaranteed directly or indirectly by such Person or as to which such Person has an obligation substantially the economic equivalent of a guaranty and (i) obligations in respect of interest rate protection programs.

“*Debt Service*” means, with respect to Parity Obligations and for any Fiscal Year, the sum of: (i) the interest on such Parity Obligations payable during such Fiscal Year (except to the extent that such interest is capitalized); (ii) the principal of such Parity Obligations maturing (including by declared acceleration of maturity) during such Fiscal Year; and (iii) the principal of and premium, if any, of such Parity Obligations coming due during such Fiscal Year by virtue of the mandatory redemption or prepayment of such Parity Obligations whether from mandatory sinking fund account payments or otherwise; but minus the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for such Parity Obligations; provided that, as to any such Parity Obligations (other than Credit Support Instruments) bearing or comprising interest at other than a fixed rate, for purposes of calculating Debt Service on such Parity Obligations, such Parity Obligations shall be assumed to bear interest at a fixed rate equal to the SIFMA Index as of any date selected by IRWD which is within 30 days of the date of calculation; and provided further that, as to any such Parity Obligation relating to an advance under a Credit Support Instrument and bearing or comprising interest at other than a fixed rate, for purposes of calculating Debt Service on such Parity Obligation, such Parity Obligation shall be assumed to bear interest at a fixed rate equal to the rate applicable to such advance as of the date of calculation; and provided further that if any such series or issue of Parity Obligations has twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one Fiscal Year, Debt Service on such Parity Obligations shall be determined for the Fiscal Year of determination as if the principal of and interest on such series or issue of Parity Obligations were being paid from the date of incurrence thereof in substantially equal annual amounts over a

period of twenty-five (25) years from the date of calculation; and provided further that, as to any such Parity Obligations or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Parity Obligations or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and provided further that if interest on such Parity Obligations is reasonably anticipated to be reimbursed to IRWD by the United States of America pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009), or any future similar program, then interest payments with respect to such Parity Obligations shall be excluded by the amount of such interest reasonably anticipated to be paid or reimbursed by the United States of America; and provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Parity Obligations for which such debt service reserve fund was established and in each preceding year until such amount is exhausted; and provided further that if principal and interest on such Parity Obligations is secured by a Revenue Enhancement Agreement, then the principal and interest payments with respect to such Parity Obligations shall be excluded by the amount of such principal and interest reasonably anticipated to be paid from (i) ad valorem assessments on taxable land levied by IRWD pursuant to the Act with respect to such Parity Obligations; (ii) water and sewer charges which in the discretion of the Board of Directors of IRWD are fixed and collected pursuant to the Act in lieu of ad valorem assessments with respect to such Parity Obligations; and (iii) proceeds from the sale of property pursuant to the Act for the enforcement of delinquent assessments with respect to such Parity Obligations, in each case pursuant to such Revenue Enhancement Agreement.

“*Default*” shall mean an event, act or occurrence which, with the giving of notice or the lapse of time (or both), would become an Event of Default.

“*Default Rate*” shall have the meaning set forth in Section 2.2(d) hereof.

“*Default Right*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“*Designated Jurisdiction*” shall mean any country or territory to the extent that such country or territory itself is the subject of any Sanction.

“*Effective Date*” shall mean February 8, 2024, subject to the satisfaction or waiver by the Bank of the conditions precedent set forth in Article VI hereof.

“*Event of Default*” has the meaning set forth in Section 7.1 hereof.

“*Excess Interest*” has the meaning set for in Section 2.2(h) hereof.

“*Favorable Opinion of Bond Counsel*” has the meaning set forth in the Indenture.

“*Federal Funds Rate*” shall mean, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (i) if such day is not a Business Day, the Federal Funds

Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Bank on such day on such transactions as determined by the Bank. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on IRWD absent manifest error.

“*Fee Letter*” shall mean that certain Fee Letter dated the Effective Date, from the Bank to IRWD regarding fees and expenses in respect of the Financing Documents, as amended, restated, supplemented or otherwise modified from time to time.

“*Financing Documents*” shall mean this Agreement, the Fee Letter, the Letter of Credit, the Bonds, the Indenture, the Remarketing Agreement and the Custodian Agreement.

“*Fiscal Year*” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the Board of Directors of IRWD as the Fiscal Year of IRWD.

“*Fitch*” means Fitch Ratings, or any successor rating agency.

“*General Obligations*” shall mean obligations for which IRWD is obligated pursuant to law and the Indenture to levy ad valorem assessments on taxable land in the Improvement Districts for which such obligations are issued in an amount sufficient to pay such obligations and the interest thereon when due.

“*Generally Accepted Accounting Principles*” means accounting principles generally accepted in the United States and applied on a consistent basis set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants applicable to a government-owned utility applying all statements and interpretations issued by the Governmental Accounting Standards Board and statements and pronouncements of the Financial Accounting Standards Board which are not in conflict with the statements and interpretations issued by the Governmental Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, that are applicable to the circumstances as of the date of determination.

“*Government Contracts*” means, collectively: (i) Agreement No. 7-805-550-0, the Loan Contract, dated February 1, 1988, between the State Water Resources Control Board and IRWD under the Water Reclamation Loan Program, Clean Water Bond Act of 1984, as amended and supplemented; (ii) Loan Contract No. 0-804-550-0, Water Reclamation Loan Program, Clean Water Bond Act of 1984, Loan Contract, dated June 1, 1990, between the State Water Resources Control Board and IRWD, as amended and supplemented and (iii) the 1996 Amended and Restated Allen-McColloch Pipeline Sublease, dated as of March 1, 1996, by and between the Municipal Water District of Orange County and the Los Alisos Water District (with respect to whose rights and obligations IRWD is the legal successor).

“*Governmental Authority*” means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi—

governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau, central bank or comparable authority.

*“Improvement Districts”* shall mean all improvement districts which are part of IRWD.

*“Included Amount”* for an Applicable Improvement District means the principal amount of outstanding Bonds allocable to such Improvement District.

*“Indenture”* has the meaning set forth in the recitals hereof.

*“Independent Certified Public Accountant”* shall mean any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State, appointed and paid by IRWD, and who, or each of whom: (1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of IRWD; (2) does not have a substantial financial interest, direct or indirect, in the operations of IRWD; and (3) is not connected with IRWD as a director, officer or employee of IRWD, but who may be regularly retained to audit the accounting records of and make reports thereon to IRWD.

*“Independent Financial Consultant”* shall mean a financial consultant or firm of such consultants appointed by IRWD, and who, or each of whom: (1) is in fact independent and not under domination of IRWD (2) does not have any substantial interest, direct or indirect, with IRWD; and (3) is not connected with IRWD as an officer or employee thereof, but who may be regularly retained to make reports thereto.

*“In Lieu Charges”* means water or sewer charges, as applicable, which in the discretion of the Board of Directors of IRWD are fixed and collected in an Improvement District in lieu of ad valorem assessments pursuant to the Act.

*“Installment Sale Agreement”* shall mean that certain Installment Sale Agreement, dated as of February 1, 2010, by and between IRWD and Irvine Ranch Water District Water Service Corporation, as amended or supplemented from time to time.

*“Investment Grade”* shall mean a rating of “Baa3” (or its equivalent) or better by Moody’s, “BBB-” (or its equivalent) or better by Fitch and “BBB-” (or its equivalent) or better by S&P.

*“Insolvency Proceeding”* means a receivership, insolvency, liquidation, resolution, or similar proceeding.

*“Investment Income”* shall mean (a) the net income and net earnings of IRWD from the investment of its money, including without limitation investments in securities and in real estate (whether by mortgage, ownership, through interests in partnerships or joint ventures, or otherwise); and (b) interest and other investment income received by IRWD from the Irvine Ranch Water District Joint Powers Authority.

*“IRWD”* has the meaning set forth in the introductory paragraph hereof.

“*Letter of Credit*” shall mean the irrevocable letter of credit dated the Effective Date, issued by the Bank in favor of the Trustee, as the same may be amended, modified or supplemented from time to time.

“*Liquidity Advance*” has the meaning set forth in Section 2.3(a) hereof.

“*Liquidity Drawing*” shall mean a drawing under the Letter of Credit resulting from the presentation of a certificate in the form of Annex C of the Letter of Credit.

“*Liquidity Facility*” shall mean a line of credit, standby bond purchase agreement or similar liquidity facility with respect to certificates issued by a commercial bank or other financial institution and, in the event of the delivery of an alternate Liquidity Facility, such alternate Liquidity Facility.

“*Liquidity Provider-Owned Bonds*” has the meaning set forth in the Indenture.

“*Material Adverse Effect*” means an effect, event, development, occurrence or change that has resulted in, or is reasonably expected to result in, an effect that is, materially adverse to the financial condition or operations of IRWD or IRWD’s ability to timely perform its obligations under the Financing Documents.

“*Maximum Rate*” has the meaning set forth in the Indenture.

“*Moody’s*” means Moody’s Investors Service, Inc., or any successor rating agency.

“*Net Revenues*” means, for any period of time, the Revenues for such period less the Operation and Maintenance Expenses for such period.

“*Obligations*” means (a) obligations of IRWD with respect to borrowed money, including bonds, notes or other evidences of indebtedness, installment purchase payments under any contract, and lease payments under any financing or capital lease (determined to be such in accordance with Generally Accepted Accounting Principles), which are payable from Net Revenues, (b) obligations to replenish any debt service reserve fund with respect to obligations described in (a) above, (c) obligations secured by or payable from any of obligations described in (a) above, and (d) Credit Support Agreements payable from Net Revenues.

“*OFAC*” shall mean the Office of Foreign Assets Control of the United States Department of the Treasury.

“*Operating Systems*” shall mean IRWD’s systems for providing water, sewer, reclaimed water and surface runoff services and any other utilities and services which IRWD may provide as the same now exist on the date hereof and as the same may be improved, replaced and expanded.

“*Operation and Maintenance Expenses*” shall mean the costs and expenses paid or incurred by IRWD for operating and maintaining the Operating Systems including, but not limited to: (a) all costs of water generated or purchased by IRWD for resale; (b) all costs and expenses of providing services and commodities through or with the Operating Systems; (c) all costs and expenses of management of the Operating Systems; (d) all costs and expenses of maintenance and

repair, and other expenses necessary or appropriate in the judgment of IRWD to maintain and preserve, any of the Operating Systems in good repair and working order; (e) all administrative and general expenses, such as salaries and wages of employees, overhead, taxes (if any), insurance premiums, retirement benefits and health care benefits; (f) all deposits to be made to a contingency reserve for Operation and Maintenance Expenses; (g) all deposits to be made to a rebate fund established with respect to Parity Obligations to provide for any rebate to the United States required to maintain the tax-exempt status of interest on such Parity Obligations; (h) any cost or expense paid or incurred by IRWD to comply with requirements of law applicable to any of the Operating Systems or the ownership or operation thereof or any activity in connection therewith; and (i) any other cost or expense which, in accordance with Generally Accepted Accounting Principles, is to be treated as an expense of operating or maintaining any of the Operating Systems; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, and amortization of intangibles.

“*Parity Obligation*” shall mean (i) the Reimbursement Agreement, dated as of May 7, 2015, between IRWD and U.S. Bank National Association, as amended to date, including as amended by the Second Amendment to Reimbursement Agreement, dated as of November 1, 2021, between IRWD and U.S. Bank National Association; (ii) the Reimbursement Agreement, dated as of April 1, 2011, between IRWD and Sumitomo Mitsui Banking Corporation, acting through its New York Branch, as amended to date, including as amended by Amendment No. 3 to Reimbursement Agreement, dated as of May 28, 2021, between IRWD and Sumitomo Mitsui Banking Corporation, acting through its New York Branch; (iii) the Amended and Restated Reimbursement Agreement, dated as of April 1, 2011, between IRWD and U.S. Bank National Association, as amended to date, including as amended by the Fourth Amendment to Amended and Restated Reimbursement Agreement, dated as of November 1, 2021, between IRWD and U.S. Bank National Association; (iv) the Amended and Restated Reimbursement Agreement, dated as of April 1, 2011, by and between IRWD and Bank of America, N.A., as amended to date, including as amended by the Fourth Amendment to Amended and Restated Reimbursement Agreement, dated as of April 21, 2022, between IRWD and Bank of America, N.A.; (v) IRWD’s Series 2010B Bonds currently outstanding in the aggregate principal amount of \$175,000,000; (vi) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2; (vii) the Installment Sale Agreement, securing IRWD’s Certificates of Participation Irvine Ranch Water District Series 2016 currently outstanding in the aggregate principal amount of \$105,710,000; (viii) the Bonds of Irvine Ranch Water District Series 2016 currently outstanding in the aggregate principal amount of \$98,980,000; and (ix) any other Obligations which are payable from Net Revenues on a parity with the Bonds and issued in accordance with Section 5.2(k) hereof.

“*Participant*” has the meaning set forth in Section 8.5(c) hereof.

“*Person*” shall mean an individual, a corporation, a partnership, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“*Prime Rate*” means the rate of interest announced by the Bank from time to time as its “prime commercial rate,” “prime rate,” “reference rate” or equivalent, as in effect on such day for United States dollar loans, with any change in the Prime Rate resulting from a change in said prime



commercial rate, prime rate, reference rate or equivalent to be effective as of the date of the relevant change in said rate.

*“Prior Installment Contract”* means the Agreement for Acquisition and Construction, dated as of November 1, 1990, by and among County Sanitation District No. 1 of Orange County, California, County Sanitation District No. 2 of Orange County, California, County Sanitation District No. 3 of Orange County, California, County Sanitation District No. 5 of Orange County, California, County Sanitation District No. 6 of Orange County, California, County Sanitation District No. 7 of Orange County, California, County Sanitation District No. 11 of Orange County, California, County Sanitation District No. 13 of Orange County, California, County Sanitation District No. 14 of Orange County, California, as amended and supplemented.

*“Prior Reimbursement Agreements”* means collectively: (i) the Reimbursement Agreement, dated as of May 7, 2015, between IRWD and U.S. Bank National Association, as amended to date, including as amended by the Second Amendment to Reimbursement Agreement, dated as of November 1, 2021, between IRWD and U.S. Bank National Association; (ii) the Reimbursement Agreement, dated as of April 1, 2011, between IRWD and Sumitomo Mitsui Banking Corporation, acting through its New York Branch, as amended to date, including as amended by Amendment No. (iii) the Amended and Restated Reimbursement Agreement, dated as of April 1, 2011, between IRWD and U.S. Bank National Association, as amended to date, including as amended by the Fourth Amendment to Amended and Restated Reimbursement Agreement, dated as of November 1, 2021, between IRWD and U.S. Bank National Association; and (iv) the Amended and Restated Reimbursement Agreement, dated as of April 1, 2011, by and between IRWD and Bank of America, N.A., as amended to date, including as amended by the Fourth Amendment to Amended and Restated Reimbursement Agreement, dated as of April 21, 2022, between IRWD and Bank of America, N.A.

*“Rating”* shall mean with respect to any Rating Agency the long-term unenhanced rating assigned by such Rating Agency to Parity Obligations.

*“Rating Agency”* means Moody’s, S&P or Fitch.

*“Refunding Test Period”* means, with respect to the issuance of additional Parity Obligations pursuant to Section 5.2(k) for refunding purposes, each Fiscal Year from and including the Fiscal Year in which such additional Parity Obligations are to be issued to and including the latest Fiscal Year in which Debt Service is payable on the Parity Obligations outstanding immediately prior to the issuance of such additional Parity Obligations.

*“Reimbursement Account”* means account no.: 4535-883980 maintained with Bank of America, New York ABA #026009593, attention: Scranton Standby regarding Letter of Credit No. [\_\_\_\_], reference: Irvine Ranch Water District, or such other account as the Bank may hereafter designate in writing as such to IRWD. Any Notice of a change in the Reimbursement Account shall become effective on the fifth day after the delivery of written notice thereof to IRWD.

*“Revenue Enhancement Agreement”* means an agreement between IRWD and the trustee for an issue of general obligation bonds issued by IRWD pursuant to the Act and payable from ad

valorem assessments, pursuant to which IRWD agrees to pay principal, redemption price, purchase price of and/or interest on such general obligation bonds from Net Revenues on the terms and conditions set forth in such agreement.

“*Revenues*” shall mean all water, sewer and reclaimed water income, rents, rates, fees, charges and other revenues of IRWD, including, without limiting the generality of the foregoing, the proceeds of any stand-by or natural treatment, connection and water availability charges; together with IRWD’s share of the Orange County, California one percent (1%) ad valorem property tax (to the extent not applied by IRWD to pay principal of and interest on Secured Bonds) and Investment Income; but excluding in all cases; (i) customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of IRWD, (ii) any proceeds of taxes or ad valorem assessments restricted by law to be used by IRWD to pay bonds issued by IRWD and (iii) water, sewer and reclaimed water rates and charges levied in lieu of ad valorem assessments pursuant to Sections 36425 and 35975 of the California Water District Law, constituting Division 13 of the Water Code of the State of California.

“*Sanctions*” shall mean any international economic sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty’s Treasury or other relevant sanctions authority.

“*SIFMA Index*” means, as of any date, the per annum rate published or reported by Municipal Market Data on its SIFMA Municipal Swap Index most recently available, or if the SIFMA Municipal Swap Index is no longer published or reported, the rate per annum published or reported on the S&P Weekly High Grade Index (formerly the J.J. Kenny Index), or if neither the SIFMA Municipal Swap Index nor the S&P Weekly High Grade Index is published, a per annum rate equal to 65% of the London Interbank Offered Rate for one-month deposits in U.S. Dollars.

“*S&P*” means Standard & Poor’s Global Ratings, a part of McGraw-Hill Financial, or any successor thereto.

“*Secured Bonds*” shall mean bonds of IRWD secured by a pledge of IRWD’s share of the Orange County one percent (1%) general ad valorem property tax pursuant to Resolution No. 1992-48, adopted by the Board of Directors of IRWD on November 23, 1992, or Resolution 2002-10, adopted by the Board of Directors of IRWD on April 8, 2002.

“*Semiannual Payment Date*” has the meaning set forth in Section 2.3(b) hereof.

“*Semiannual Principal Payment*” has the meaning set forth in Section 2.3(b) hereof.

“*Stated Amount*” has the meaning set forth in the Letter of Credit.

“*Subordinate Obligations*” means all Obligations other than Parity Obligations, including but not limited to amounts due under the Prior Installment Contract and the Government Contracts.

“*System*” means the entire water and sewer system of IRWD, together with all additions, betterments, extensions and improvements to that system or any part thereof.

“*Taxes*” has the meaning set forth in Section 2.2(i) hereof.

“*Term Loan*” has the meaning set forth in Section 2.3(b) hereof.

“*Termination Date*” means the date on which the Letter of Credit expires in accordance with its terms.

“*Test Period*” means, with respect to a calculation of Aggregate Debt Service in connection with the issuance of additional Parity Obligations pursuant to Section 5.2(k), the period from and including the Applicable Fiscal Year for the issuance of such additional Parity Obligations to and including the first complete Fiscal Year after the latest date of operation of any project being financed or refinanced with the proceeds of such additional Parity Obligations.

“*Trustee*” has the meaning set forth in the recitals hereof.

“*U.S. Special Resolution Regime*” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

**Section 1.2. Accounting Terms.** All accounting terms not specifically defined herein shall be construed in accordance with Generally Accepted Accounting Principles consistently applied, except as may be otherwise stated herein.

**Section 1.3. Construction.** The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (d) all references herein to Appendices, Sections and Schedules shall be construed to refer to Appendices, Sections and Schedules to, this Agreement.

## ARTICLE II

### ISSUANCE OF LETTER OF CREDIT AND PAYMENTS

**Section 2.1. Issuance of Letter of Credit.** The Bank hereby agrees, on the terms and subject to the conditions hereinafter set forth, to issue to the Trustee the Letter of Credit on the Effective Date in the Stated Amount. The Trustee is authorized to make drawings under the Letter of Credit in accordance with the terms thereof. IRWD hereby directs the Bank to make payments under the Letter of Credit in the manner therein provided. IRWD hereby irrevocably approves reductions and reinstatements of the Stated Amount as provided in the Letter of Credit.

## Section 2.2. Reimbursements of Drawings and Other Payments.

(a) **Reimbursements.**

(i) IRWD agrees to reimburse the Bank, at the times, in the manner and otherwise as provided in this Agreement for each payment made by the Bank under the Letter of Credit honoring any drawing made by the Trustee thereon.

(ii) IRWD agrees to reimburse the Bank for the full amount of any Liquidity Drawing (unless the conditions precedent contained in Section 6.2 hereof are satisfied on the date of payment by the Bank of such Liquidity Drawing) and all other drawings made under the Letter of Credit immediately upon payment by the Bank of each such drawing and on the date of each such payment. If IRWD does not make such reimbursement on such date, such reimbursement obligation shall bear interest at the Default Rate. The obligation of IRWD to reimburse any Liquidity Drawings (but only if the conditions precedent contained in Section 6.2 are satisfied on the date of payment by the Bank of such Liquidity Drawing) shall be evidenced by and subject to the terms and conditions set forth in Section 2.3 hereof. The Bank shall be entitled to all of the rights, benefits and protections of the Indenture with respect to each Bond registered in the name of the Bank pursuant to the Indenture.

(b) **Fees.** IRWD agrees to pay to the Bank the fees set forth in the Fee Letter at the times and in the amounts set forth therein. The terms of the Fee Letter are incorporated herein by reference as if fully set forth herein. Any reference herein or in any other document to fees and/or other amounts or obligations payable hereunder shall include, without limitation, all fees and other amounts or obligations payable pursuant to the Fee Letter.

(c) **Manner of Payments.** All payments to be made by or on behalf of IRWD or the Trustee to the Bank on account of amounts at any time owing hereunder or under the Fee Letter or in connection herewith or therewith shall be made, and shall not be considered made until received, in United States dollars in the Reimbursement Account in immediately available funds. IRWD or the Trustee shall make each payment hereunder and under the Fee Letter not later than 3:00 p.m. (Los Angeles time) on the day when due. Any payment received after 3:00 p.m. Los Angeles time shall be deemed made on the next succeeding Business Day. Whenever any payment to be made hereunder or under the Fee Letter shall be stated to be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be.

(d) **Default Rate.** If the amount of any Bank Obligation is not paid when due or if any Event of Default shall have occurred and be continuing, all Bank Obligations shall bear interest until paid in full at a rate per annum equal to the Base Rate for such day plus three percent (3%) (the "Default Rate") and such interest shall be payable upon demand of the Bank.

(e) **Bank Obligations Unconditional.** IRWD's obligation to reimburse the Bank for each payment made under the Letter of Credit honoring any drawing made by the Trustee thereon and all of its other Bank Obligations shall be primary, absolute, independent, unconditional and irrevocable under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which IRWD may have against the Bank, any Participant or against any beneficiary of the Letter of Credit (or any other Person for whom such beneficiary may be acting), or any other person, including, without limitation, any defense based on the failure of any drawing on the Letter of Credit by the Trustee to conform to the terms of the Letter of Credit or based on invalidity, inaccuracy, falsity, or lack of genuineness, whether by forgery, fraud or otherwise, of any document, demand, or statement presented under the Letter of Credit or any failure of IRWD to receive all or any part of the proceeds of the sale of any Bonds with respect to which such drawing on the Letter of Credit was made by the Trustee or any nonapplication or misapplication by the Trustee of the proceeds of such drawing, and irrespective of the legality, validity, regularity or enforceability of all or any of the Financing Documents, and notwithstanding any amendment or waiver of (other than an amendment or waiver signed by the Bank explicitly reciting the release or discharge of any such obligation), or any consent to departure from, all or any of the Financing Documents or any exchange, release, or nonperfection of any collateral securing the Bonds or the obligations of IRWD hereunder or under the Fee Letter or any expiration of the Letter of Credit pursuant hereto and any other circumstances or happening whatsoever, whether or not similar to any of the foregoing; provided, however, that nothing contained in this Section 2.2(e) shall abrogate or otherwise affect the rights of IRWD pursuant to Section 8.13 hereof.

(f) **Waivers, Etc.** To the full extent permitted by law: (i) IRWD hereby waives (a) presentment, demand, notice of demand, protest, notice of protest, notice of dishonor and notice of non-payment; (b) to the extent the Bank is not in default hereunder or under the Letter of Credit, the right, if any, to the benefit of, or to direct application of, any security hypothecated to the Bank until all obligations of IRWD to the Bank hereunder and under the Fee Letter, howsoever arising, shall have been paid; (c) the right to require the Bank to proceed against IRWD hereunder, or against any Person under any guaranty or similar arrangement, or under any agreement between the Bank and any Person or to pursue any other remedy in the Bank's power; (d) all statutes of limitation; and (e) any defense arising out of the election by the Bank to foreclose on any security by one or more nonjudicial or judicial sales; (ii) the Bank may exercise any other right or remedy, even though any such election operates to impair or extinguish IRWD's right to reimbursement from, or any other right or remedy it may have against, any person, or any security; and (iii) IRWD agrees that the Bank may proceed against IRWD or any Person directly and independently of any other, and that any forbearance, change of rate of interest, or acceptance, release or substitution of any security, guaranty, or loan or change of any term or condition thereunder or under the Letter of Credit or any Financing Document (other than by mutual agreement between IRWD and the Bank) shall not in any way affect the liability of IRWD hereunder or under the Fee Letter.

(g) **Increased Costs and Reduced Return.**

(i) If the Bank or any Participant determines that any Change of Law affecting the Bank, the Bank's holding company, such Participant or such Participant's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the Bank's or such Participant's capital or liquidity or on the capital or liquidity of the Bank's or such Participant's holding company, if any, as a consequence of this Agreement, the Fee Letter or the Letter of Credit issued by the Bank, to a level below that which the Bank, the Bank's holding company, such Participant or such Participant's holding company could have achieved but for such Change of Law (taking into consideration the Bank's policies, the policies of the Bank's holding company, such Participant's policies or the policies of such Participant's holding company with respect to capital adequacy), then from time to time, within 30 days after demand by the Bank or such Participant made through the Bank, IRWD will pay to the Bank or such Participant such additional amount or amounts as will compensate the Bank, the Bank's holding company, such Participant or such Participant's holding company for any such reduction suffered.

(ii) If a Change of Law:

(A) shall impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Bank or such Participant; or

(B) subject the Bank or such Participant to any taxes on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

and the result of any of the foregoing shall be to increase the cost to the Bank or such Participant of participating in, issuing or maintaining the Letter of Credit, or to reduce the amount of any sum received or receivable by the Bank or such Participant hereunder (whether of principal, interest or any other amount) or under the Fee Letter then, within 30 days following the demand of the Bank, IRWD will pay to the Bank or such Participant such additional amount or amounts as will compensate the Bank for such additional costs incurred or reduction suffered; provided, however, that any amounts payable to any Participant pursuant to this Section shall not exceed the amount IRWD would have been required to pay pursuant to this Section without the participation of such Participant.

(iii) A certificate of the Bank or any Participant setting forth the amount or amounts necessary to compensate the Bank, its holding company, such Participant or its holding company, as the case may be, as specified in subsection (i) or (ii) of this Subsection (g) and delivered to IRWD (accompanied by a statement specifying the reasons therefor) shall be conclusive absent manifest error. In determining such amount, the Bank or such Participant may use any reasonable averaging and attribution methods.

(h) **Excess Interest.** If the rate of interest payable hereunder or under the Fee Letter shall exceed the Maximum Rate for any period for which interest is payable, then (i) interest at the Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) the Maximum Rate (the “Excess Interest”), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time IRWD shall pay to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder or under the Fee Letter, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder and under the Fee Letter until all deferred Excess Interest is fully paid to the Bank. Upon the termination of the Letter of Credit, in consideration for the limitation of the rate of interest otherwise payable hereunder and under the Fee Letter, IRWD shall pay to the Bank a fee equal to the amount of all unpaid deferred Excess Interest.

(i) **Net Payments.** To the extent permitted by law, any and all payments by IRWD hereunder and under the Fee Letter shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding taxes imposed on the overall net income of the Bank (and franchise taxes imposed in lieu of net income taxes) by the jurisdiction of the Bank’s applicable lending office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as “Taxes”). If IRWD shall be required by law to withhold or deduct any Taxes from or in respect of any sum payable hereunder or under the Fee Letter then, to the extent permitted by law, (A) the sum payable shall be increased as may be necessary so that after making all required withholdings or deductions (including those Taxes payable solely by reason of additional sums payable under this clause (i)) the Bank receives an amount equal to the sum it would have received had no such withholdings or deductions been made, (B) IRWD shall make such withholdings or deductions and (C) IRWD shall pay the full amount withheld or deducted to the relevant taxation authority or other authority in accordance with applicable law.

**Section 2.3. Certain Provisions with Respect to Liquidity Drawings.** Repayment of Liquidity Drawings shall be subject to all applicable provisions of the Indenture, this Agreement and to these provisions:

(a) If the conditions precedent contained in Section 6.2 hereof are satisfied at the time of payment by the Bank of a Liquidity Drawing, such Liquidity Drawing shall constitute an advance (herein, a “Liquidity Advance”) to IRWD. IRWD promises to pay to the Bank each Liquidity Advance on the earliest to occur of (i) the date on which Bonds purchased with funds disbursed under the Letter of Credit in connection with such Liquidity Drawing are redeemed or cancelled pursuant to the Indenture, (ii) the date on which the Bonds purchased with funds disbursed under the Letter of Credit are remarketed pursuant to the Indenture, (iii) the date on which the Letter of Credit is replaced by an Alternate Letter of Credit pursuant to the terms of the Indenture, (iv) the date sixty (60) days following the date on which such Liquidity Advance was made, (v) the Termination

Date and (vi) the final maturity date of the Bonds. IRWD also promises to pay to the Bank interest on the unpaid principal amount of each Liquidity Advance from the date such Liquidity Advance is made until it is paid in full at a rate per annum equal to the Bank Rate from time to time in effect, payable monthly in arrears on the first Business Day of each calendar month and on the date such Liquidity Advance is paid in full. Any Liquidity Advance not paid when due shall bear interest at the Default Rate.

(b) Notwithstanding anything to the contrary contained in Section 2.3(a) hereof, if IRWD does not reimburse the Bank for all or any portion of a Liquidity Advance and the conditions precedent contained in Section 6.2 hereof are satisfied on the earlier of (i) sixty (60) calendar days following the date the Bank made the respective Liquidity Advance and (ii) the Termination Date (the earlier of such dates to occur the “Term Loan Date”), the unpaid portion of such Liquidity Advance shall constitute a loan (each, a “Term Loan”) to IRWD. Each Term Loan shall be payable as to principal in installments (each, a “Semiannual Principal Payment”) on the first Business Day of each January and July (each, a “Semiannual Payment Date”) occurring in each year (commencing on the first such date to occur after the Term Loan Date), with the final installment due and payable on the earlier of (i) the fifth anniversary of the date such Term Loan is made and (ii) the final maturity date of the Bonds (such earlier date, the “Amortization End Date”; the period commencing on the date such installment is initially payable and ending on the Amortization End Date is herein referred to as the “Amortization Period”); provided, however, if the Amortization End Date occurs before the first Semiannual Payment Date, the Term Loan shall be due and payable in full on the Amortization End Date. Each Semiannual Principal Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate semiannual principal payments over the applicable Amortization Period, with the final Semiannual Principal Payment equal to the remaining outstanding principal amount of such Term Loan. IRWD shall pay to the Bank interest on the unpaid principal amount of each Term Loan from the Term Loan Date until such Term Loan is paid in full as provided herein, at a rate per annum equal to the Bank Rate from time to time in effect, payable monthly in arrears on the first Business Day of each calendar month and on the date such Term Loan is required to be paid in full. All Term Loans shall be prepaid in full, together with accrued and unpaid interest thereon, on the date on which the Letter of Credit is replaced by an Alternate Letter of Credit pursuant to the terms of the Indenture. A Term Loan shall be prepaid on the date on which Bonds purchased with funds disbursed under the Letter of Credit in connection with the Liquidity Drawing which became such Term Loan are redeemed, cancelled or remarketed pursuant to the Indenture in each case in the principal amount of the Bonds redeemed, cancelled or remarketed, together with accrued and unpaid interest thereon. Any Term Loan not paid when due shall bear interest at the Default Rate.

(c) Any Liquidity Advance or Term Loan created pursuant to subsection (a) or (b) above, respectively, may be prepaid in whole or in part at any time without premium or penalty on any Business Day.

(d) Upon the Bank’s receipt of any payment or prepayment of any Liquidity Advance or Term Loan, the amount of such Liquidity Advance or Term Loan, as applicable, shall be reduced by the principal amount of such payment or prepayment.



**Section 2.4. Liquidity Provider-Owned Bonds.** Bonds purchased by the Bank with the proceeds of a Liquidity Drawing shall constitute Liquidity Provider-Owned Bonds and shall, from the date of such purchase and while they are Liquidity Provider-Owned Bonds, bear interest at the Bank Rate and have other characteristics of Bonds set forth in the Indenture. Upon purchasing Liquidity Provider-Owned Bonds, the Bank shall be entitled to and, where necessary, shall be deemed assigned all rights and privileges accorded Owners, except to the extent such rights and privileges conflict with this Agreement, in which case the terms of this Agreement shall prevail and govern. Upon purchasing Liquidity Provider-Owned Bonds, the Bank shall be recognized by IRWD and the Trustee as the true and lawful owner of such Liquidity Provider-Owned Bonds, free from any claims, liens, security interests, equitable interests and other interests of IRWD, except as such interests might exist under the terms of the Liquidity Provider-Owned Bonds with respect to all Owners. Liquidity Provider-Owned Bonds purchased by the Bank shall be held by the Trustee, as custodian, pursuant to the terms of the Custodian Agreement.

**Section 2.5. Termination of Letter of Credit.** IRWD may, to the extent such termination is permitted by the Indenture, terminate the Letter of Credit upon: (i) thirty (30) days written notice to the Bank of such termination or such shorter notice as shall be acceptable to the Bank; (ii) the payment to the Bank with immediately available funds on or prior to the date of termination of all fees, expenses and other Bank Obligations accrued hereunder and under the Fee Letter to the date of termination, including all principal and accrued interest owing on any Liquidity Provider-Owned Bonds.

**Section 2.6. Extension of Termination Date.** If IRWD, at any time during the one hundred twenty (120) day period ended one hundred twenty (120) days prior to the then current Termination Date, submits to the Bank a written request for an extension of the Termination Date for a period as specified in such written request, the Bank will respond to such request within sixty (60) days after receipt of all information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision. In the event the Bank fails to definitively respond to such request within such period of time, the Bank shall be deemed to have refused to grant the extension requested. The Bank may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Bank shall have consented thereto in writing. The consent of the Bank, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance reasonably satisfactory to the Bank and consistent with this Agreement. If such an extension request is accepted by the Bank in its absolute discretion, the Bank shall deliver written notice to IRWD and the Trustee of such election and, if necessary, shall deliver an amendment to the Letter of Credit to such effect.

**Section 2.7. Security and Pledge.** To secure the payment of all Bank Obligations, IRWD hereby irrevocably grants to the Bank a first priority pledge of and charge and lien upon the Revenues, subject to the application of the Revenues as set forth in Section 4.02 of the Installment Sale Agreement. The provisions of Section 4.02 of the Installment Sale Agreement (as originally executed and delivered by the parties thereto) are hereby incorporated herein by reference. It is hereby acknowledged and agreed that the pledge of and lien upon the Revenues herein provided shall be for the equal and proportionate benefit and security of the Bank Obligations and the other Parity Obligations, all of which shall be of equal rank without preference, priority or distinction as

to lien or otherwise. The pledge and lien hereby granted shall remain effective for so long as any Bank Obligation remains unpaid.

**Section 2.8. Computation of Interest.** All computations of interest payable by IRWD under this Agreement shall be made on the basis of a 365/366 day year, as the case may be, and actual days elapsed.

## ARTICLE III

### LIQUIDITY PROVIDER-OWNED BONDS; LETTER OF CREDIT PAYMENTS

**Section 3.1. Remarketing of Bonds Registered in the Name of the Bank.** Liquidity Provider-Owned Bonds shall be subject to remarketing pursuant to the Indenture and the Remarketing Agreement. The Bank shall deliver (or cause to be delivered) any such Liquidity Provider-Owned Bonds, at the direction of the Trustee against receipt by the Bank, or the Trustee on behalf of the Bank, of the principal amount of, and any accrued and unpaid interest on such Liquidity Provider-Owned Bonds.

**Section 3.2. Payment of Drawings on Letter of Credit.** The Bank agrees that (a) drawings on the Letter of Credit will be paid from funds of the Bank and not directly or indirectly from funds or collateral on deposit with or for the account of, or pledged with or for the account of, the Bank by IRWD and (b) the Bank will seek reimbursement for each payment under the Letter of Credit only after such payment has been made. To the extent a drawing under the Letter of Credit is used to acquire bonds which are General Obligations of IRWD or to pay the interest thereon, the Bank shall be subrogated to the rights of the holders of such bonds as to which such payment is made.

**Section 3.3. Payment in Respect of Liquidity Provider-Owned Bonds.** Payments received by the Bank of principal of Liquidity Provider-Owned Bonds shall be credited to reduce the principal amount of the Liquidity Advance or Term Loan, as the case may be, resulting from the Liquidity Drawing made to purchase such Liquidity Provider-Owned Bonds. Payments received by the Bank of interest on Liquidity Provider-Owned Bonds shall be credited to reduce the interest owing on the Liquidity Advance or Term Loan, as the case may be, resulting from the Liquidity Drawing made to purchase such Liquidity Provider-Owned Bonds.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES

IRWD hereby makes to the Bank each of the representations and warranties made by IRWD in the Indenture and the Installment Sale Agreement, all of which are hereby incorporated by reference as though such representations and warranties (and defined terms needed to interpret such representations and warranties) were set forth in full herein. In addition, IRWD represents and warrants to the Bank as follows:

**Section 4.1. Existence.** IRWD is a California water district duly created and validly existing under the Constitution and the laws of the State of California.

**Section 4.2. Power and Authorization.** IRWD has all requisite power and authority to own its properties and to carry on its business as now conducted and as contemplated to be conducted under the Financing Documents to which IRWD is a party and the Installment Sale Agreement, and to execute, deliver and to perform its obligations under this Agreement and the other Financing Documents to which IRWD is a party, to perform its obligations under the Installment Sale Agreement and to issue and sell the Bonds in the manner and for the purposes contemplated by the Indenture and this Agreement, and the execution, delivery and performance of the Financing Documents to which IRWD is a party and the issuance and sale of the Bonds have been duly authorized by all necessary action.

**Section 4.3. No Legal Bar.** IRWD is not in violation of any of the provisions of the laws of the State of California which would affect its existence or its powers referred to in the preceding paragraph (b). The execution, delivery and performance by IRWD of this Agreement and of the other Financing Documents to which IRWD is a party, the performance by IRWD of the Installment Sale Agreement and the issuance and sale of the Bonds (i) will not violate any provision of any applicable law or regulation or of any order, writ, judgment or decree of any court, arbitrator or Governmental Authority, (ii) will not violate any provisions of any document constituting, regulating or otherwise affecting the operations or activities of IRWD, and (iii) will not violate any provision of, constitute a default under, or result in the creation or imposition of any lien, mortgage, pledge, charge, security interest or encumbrance of any kind on any of the assets of IRWD pursuant to the provisions of any mortgage, indenture, contract, agreement or other undertaking to which IRWD is a party or which purports to be binding upon IRWD or upon any of its assets foreclosure under which could have a Material Adverse Effect.

**Section 4.4. Compliance With Laws.** IRWD is in full compliance with IRWD's investment policy and all applicable laws, rules, regulations, governmental orders, judgments and decrees to which it is subject and as to which noncompliance would have a Material Adverse Effect. Any pension plan of IRWD providing benefits for IRWD employees (and former employees) is in compliance in all material respects with the requirements of all applicable laws and all contributions required to be made by IRWD on behalf of IRWD's employees (and former employees) in accordance therewith have been made. To the best knowledge of IRWD, no condition exists or event or transaction has occurred with respect to any such plan which could reasonably be expected to result in the incurrence by IRWD of any material liability, fine or penalty. IRWD has not received any written notice or information that any violation of any of the foregoing is being or may be alleged. IRWD has no obligation to provide benefits to any individuals other than employees and former employees of IRWD and directors, officers and employees of IRWD and Persons acquired by IRWD.

**Section 4.5. Consents.** IRWD has obtained all consents, permits, licenses and approvals of, and has made all registrations and declarations with any Governmental Authority or regulatory body required for the execution, delivery and performance by IRWD of this Agreement or the other Financing Documents to which IRWD is a party.

**Section 4.6. Litigation.** Except as disclosed to the Bank in writing prior to the Effective Date, there is no action, suit, inquiry or investigation or proceeding to which IRWD is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official which is pending or, to the best knowledge of IRWD, threatened in connection with any of the

transactions contemplated by this Agreement or the Fee Letter or against or affecting the assets of IRWD, nor, to the best knowledge of IRWD, is there any basis therefor, wherein an unfavorable decision, ruling or finding (i) would adversely affect the validity or enforceability of, or the authority or ability of IRWD to perform its obligations under, the Financing Documents to which IRWD is a party, (ii) would, in the reasonable opinion of IRWD, have a Material Adverse Effect, (iii) would adversely affect the validity of the Act or (iv) would adversely affect the exclusion of interest on the Bonds from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes.

**Section 4.7. Enforceability.** This Agreement, each other Financing Document to which IRWD is or is to be a party will, and the Installment Sale Agreement each constitute the legal, valid and binding obligation of IRWD, enforceable against IRWD in accordance with its terms (except as such enforceability may be limited by bankruptcy, moratorium or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

**Section 4.8. Changes in Law.** To the best knowledge of IRWD, there is not pending any change of law which, if enacted or adopted could reasonably be expected to have a Material Adverse Effect.

**Section 4.9. Financial Statements.** The balance sheets of IRWD, and the related statements of operations and fund balances and changes in financial position for the year ending June 30, 2023, accompanied by the auditors' report of June 30, 2023 (copies of which have been furnished to the Bank), present fairly the financial position of IRWD at the date thereof, and the results of its operations and the changes in its financial position for the year then ended, in conformity with generally accepting accounting principles applied on a consistent basis, and since June 30, 2023, there has been no material adverse change in such condition or operation, the business properties, or conditions (financial or otherwise) of IRWD, except as disclosed to the Bank in writing.

**Section 4.10. Disclosure of Information.** There are no facts that IRWD has failed to disclose to the Bank that, individually or in the aggregate, could have a Material Adverse Effect.

**Section 4.11. IRS Listing.** IRWD has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that IRWD is an issuer of obligations whose arbitrage certifications may not be relied upon.

**Section 4.12. Tax-Exempt Status.** IRWD has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Bonds from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes.

**Section 4.13. Financing Documents.** Each representation and warranty of IRWD contained in any Financing Document to which IRWD is a party and the Installment Sale Agreement is true and correct. No amendment, modification, termination or replacement of any such representations, warranties and definitions contained in any Financing Document to which

IRWD is a party or the Installment Sale Agreement shall be effective to amend, modify terminate or replace the representations, warranties, and definitions incorporated herein by this reference, without the prior written consent of the Bank.

**Section 4.14. Regulations U and X.** IRWD is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of any Bonds will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

**Section 4.15. Default, Etc.** IRWD is not in default in the performance, observance, or fulfillment of any of the obligations, covenants or conditions contained in any Financing Document, the Installment Sale Agreement or other resolution, agreement or instrument to which it is a party which would have a Material Adverse Effect.

**Section 4.16. Pledge of Trust Estate.** To secure the Bonds, IRWD has provided to the Trustee for the benefit of the holders of the Bonds the pledge of the Trust Estate set forth in the Indenture.

**Section 4.17. Sovereign Immunity.** IRWD has no right to immunity from set-off or legal proceedings, on the grounds of sovereign immunity or any other similar doctrine in respect of contractual obligations.

**Section 4.18. No Limitation on Interest Rate.** The obligations of IRWD hereunder and under the Fee Letter are not subject to any law, rule or regulation of the State of California prescribing a maximum rate of interest.

**Section 4.19. Security.** No filing, registration, recording or publication of this Agreement or the Fee Letter or any other instrument is required to establish the pledge provided for hereunder or to perfect, protect or maintain the lien created thereby on the Revenues to secure the Bank Obligations.

**Section 4.20. Environmental Matters.** IRWD has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, in each case which non-compliance or remedial action could have a Material Adverse Effect.

**Section 4.21. Solvency.** IRWD is able to pay its debts as they are scheduled to become due.

**Section 4.22. Sanctions.** IRWD represents that neither IRWD or, to the knowledge of IRWD, any director, officer, employee or agent of IRWD is (a) currently the subject of any Sanctions, (b) located, organized or residing in any Designated Jurisdiction, or (c) or has been (within the previous five (5) years) engaged in any transaction with any Person who is now or was then the subject of Sanctions or who is located, organized or residing in any Designated Jurisdiction.

## ARTICLE V

### COVENANTS

**Section 5.1. Affirmative Covenants of IRWD.** IRWD covenants and agrees that so long as any Bonds or any Bank Obligation shall remain unpaid or unperformed or the Bank shall have any liability under or in respect of the Letter of Credit:

(a) ***Compliance with this Agreement and the Other Financing Documents.***

IRWD will observe and perform each term, covenant, condition and agreement to be performed or observed under this Agreement, the other Financing Documents to which it is a party and the Installment Sale Agreement, and each term, covenant, condition and agreement (and defined terms needed to interpret such terms, covenants, conditions and agreements) in such Financing Documents and the Installment Sale Agreement to be observed or performed by IRWD are hereby incorporated by reference herein (for the purpose of this provision such Financing Documents and the Installment Sale Agreement shall be deemed to continue in full force and effect notwithstanding any earlier termination thereof so long as any obligation of IRWD under this Agreement or the Fee Letter shall be unpaid or unperformed or the Bank shall have any liability under or in respect of the Letter of Credit). No amendment to such terms, covenants, conditions and agreements or any defined terms referenced therein or release of IRWD with respect thereto made pursuant to any of the Financing Documents to which IRWD is a party or the Installment Sale Agreement, shall be effective to amend such terms, covenants, conditions and agreements and defined terms or release IRWD with respect thereto in each case as incorporated by reference herein without the prior written consent of the Bank. Notwithstanding any termination or expiration of any such Financing Document or the Installment Sale Agreement, IRWD shall, unless such Financing Document or the Installment Sale Agreement has terminated in accordance with its terms and has been replaced by a new financing document or installment sale agreement, continue to observe the covenants therein contained for the benefit of the Bank until the termination of this Agreement and the Fee Letter. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

(b) ***Laws, Permits and Obligations.*** IRWD will comply with all applicable laws, rules, regulations, orders and directions of any Governmental Authority noncompliance with which would have a Material Adverse Effect, provided that IRWD may in good faith contest such laws, rules, regulations, orders and directions and the applicability thereof to IRWD, provided that if noncompliance during such contest results in a material disruption in the operation of the System or a lien on the Revenues or the System, IRWD establishes and maintains reserves therefor to the extent necessary in the opinion of IRWD to avoid a Material Adverse Effect.

(c) ***Investments.*** IRWD shall comply with all statutes governing its investments and with the investment policy adopted by IRWD.

(d) ***Use of Proceeds.*** IRWD will use or cause to be used the proceeds of the sale of the Bonds in accordance with the provisions of the Indenture and this Agreement. IRWD covenants that it will not permit the proceeds of the Letter of Credit to be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order related thereto, including, without limitation, lending, contributing, providing or otherwise making available such proceeds to fund any activity or business in any Designated Jurisdiction or to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions, or in any other manner that will result in any violation by any Person (including the Bank) of Sanctions.

(e) ***Maintenance of Existence.*** IRWD will at all times preserve and maintain its existence, rights and privileges in the State of California, and qualify and remain qualified and authorized to do business in each other jurisdiction in which such qualification is necessary in view of its business or properties.

(f) ***Annual and Other Statements.*** IRWD shall furnish to the Bank (i) as soon as available but in any event within one hundred eighty (180) days following the end of each Fiscal Year, an audited balance sheet of IRWD as of the end of such Fiscal Year and the related audited statements of operations and fund balances and changes in financial position for the year then ended, prepared in accordance with Generally Accepted Accounting Principles consistently applied, in reasonable detail together with an unqualified report of a firm of Independent Certified Public Accountants selected by IRWD and satisfactory to the Bank; (ii) concurrent with the delivery of the financial statements referred to in subclause (i) above, a certificate in the form of Appendix B hereto from an authorized financial officer of IRWD stating that, to the best knowledge of such officer (after due inquiry), no Event of Default or Default had occurred and was continuing at the end of such Fiscal Year or on the date of such officer's certificate or, if an Event of Default or Default which was continuing at the end of such Fiscal Year or on the date of such certificate, indicating the nature of such Event of Default or Default and the action IRWD proposes to take with respect thereto; (iii) as soon as available but in any event within one hundred eighty (180) days following the end of each Fiscal Year, a copy of IRWD's annual operating budget for the then current Fiscal Year; (iv) as soon as available a copy of any report to IRWD of any auditors of IRWD; (v) to the extent permitted by law, as soon as available a copy as the Bank may request of any other periodic report of its activities or condition submitted to any governmental agency and any other audit report prepared with respect to its activities or condition for delivery to a third party; (vi) promptly such other reports or information of IRWD and/or the Applicable Improvement Districts as the Bank may request; and (vii) as soon as available, a copy of IRWD's then current investment policy.

(g) ***Books and Records; Visitation and Examination.*** IRWD shall keep proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of IRWD in accordance with Generally Accepted Accounting Principles consistently applied. Unless otherwise prohibited by law, IRWD will permit any person designated by the Bank to visit any of its offices to examine the books and financial records, and make copies thereof or extracts therefrom, and to discuss

its affairs, finances and accounts with its principal officers, all at such reasonable times and as often as the Bank may reasonably request, to the extent such information and material relate to the transactions contemplated by the Financing Documents.

(h) **Litigation Notice.** IRWD will, promptly after IRWD's obtaining knowledge thereof, notify the Bank in writing of any action, suit or proceeding at law or in equity by or before any governmental instrumentality or other agency which (i) has remained unsettled for a period of thirty (30) days from the commencement thereof and involves claims for damages or relief in an amount which could reasonably be expected to have a Material Adverse Effect or (ii) has resulted in a final judgment or judgments which could reasonably be expected to have a Material Adverse Effect.

(i) **Defaults.** IRWD will promptly (and in any event within five (5) Business Days) notify the Bank of any Event of Default of which IRWD has knowledge, setting forth the details of such Event of Default and any action which IRWD proposes to take with respect thereto or any event which, with the passage of time or the giving of notice or both, would become an Event of Default.

(j) **Rates and Charges; Collections.** To the fullest extent permitted by law, IRWD shall fix, prescribe and collect Revenues which, together with any ad valorem assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, will be at least sufficient to yield during each Fiscal Year Net Revenues which are at least equal to one hundred twenty-five percent (125%) of Aggregate Debt Service payable during such Fiscal Year. IRWD may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of this Section. To the extent necessary to provide Assessment Proceeds sufficient to pay when due, together with the other funds available for such payment, the principal of and interest on the Included Amount for each respective Improvement District, IRWD covenants and agrees to (a) fix and collect, or cause the fixing and collection of, ad valorem assessments on taxable land within the Applicable Improvement District, (b) pursue any remedy available to collect, or cause the collection of, delinquent ad valorem assessments and apply amounts realized from the sale of any property for the enforcement of delinquent ad valorem assessments to the payment of principal of and interest on the Included Amount of Bonds of the Applicable Improvement District, or (c) in its discretion, impose and collect, or cause the imposition and collection of In Lieu Charges for water or sewer service, as applicable, in the Applicable Improvement District in lieu of ad valorem assessments. IRWD may also, to the extent permitted by law, but shall not be obligated under this Agreement to, apply other funds of IRWD to the payment of principal of, premium, if any, and interest on, the Bonds.

(k) **Maintenance of System; Insurance.** IRWD will maintain and preserve the Operating Systems in good repair and working order at all times and will operate the Operating Systems in an efficient and economical manner and will pay all maintenance and operation costs, as they become due and payable. IRWD agrees that, at its own cost and expense, it will maintain, preserve and keep its Operating Systems and every part and



parcel thereof in good repair, working order and condition and that it will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. IRWD shall not use the System to conduct any business other than that which is lawfully permitted. IRWD will procure and maintain such insurance relating to the Operating Systems which it shall deem advisable or necessary to protect its interests and operations, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with public water, sewer and reclaimed water systems similar to the Operating Systems; provided, that any such insurance may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner as is, in the opinion of an accredited actuary, actuarially sound. All policies of insurance required to be maintained hereunder shall provide that the Trustee and the Bank shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby. IRWD shall also procure, and maintain at all times adequate fidelity insurance or bonds on all officers and employees handling or responsible for any System revenues, such insurance or bonds to be in an aggregate amount at least equal to the maximum amount of such System revenues at any one time in the custody of all such officers and employees or in the amount of one million dollars (\$1,000,000), whichever is less. The insurance described above may be provided as a part of any comprehensive fidelity and other insurance and not separately for the System.

Notwithstanding the foregoing provisions of this Section, if at any time IRWD shall be unable to obtain or maintain insurance to the extent required by such provisions on reasonable terms, as to amounts, costs or as to risks, the failure to maintain such insurance shall not constitute an Event of Default under this Agreement if IRWD shall cause the employment of an independent insurance consultant having a favorable reputation for skill and experience in such matters, for the purpose of reviewing such insurance requirements and making recommendations respecting the types, amounts and provisions of reasonably obtainable insurance, including self-insurance, or the establishment of other generally accepted forms of alternative protection that should be carried in lieu thereof, or the infeasibility of obtaining insurance, and if IRWD shall comply with the recommendations made in such report. A signed copy of the report of the insurance consultant shall be filed with the Trustee with a copy to the Bank, and the insurance requirements specified in this Section shall be deemed to be modified to conform with the recommendations in such report.

(1) ***Payment of Taxes and Claims.*** IRWD will pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished, or alleged to have been furnished, to or for IRWD in, upon, about or relating to the Operating Systems and will keep the Operating Systems free of any and all liens. In the event any such lien attaches to or is filed against any portion of the Operating Systems, IRWD will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if IRWD desires to contest any such lien it may do so if contesting such lien will not materially impair operation of the Operating Systems. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, IRWD will forthwith pay or cause to be paid and discharged such

judgment. IRWD will: (i) pay and discharge all taxes, assessments and other governmental charges which may hereafter be imposed upon the Operating Systems or any part thereof when the same shall become due; and (ii) will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Operating Systems or any part thereof; provided, however, that IRWD shall not be required to comply with the requirements of either clause (i) or clause (ii) above to the extent that the validity or application of any particular taxes, assessments or other governmental charges, or any particular regulation or requirement, as applicable, shall be contested in good faith and contesting such validity or application will not materially impair the operation or maintenance of the Operating Systems or the financial condition of IRWD or the ability of IRWD to perform all of its obligations under the Indenture.

(m) **Permits and Licenses.** IRWD shall maintain and comply with all necessary permits and licenses issued by governmental authorities having jurisdiction, where failure to so maintain or comply could be reasonably expected to have a Material Adverse Effect.

(n) **Best Efforts.** In the event (A) IRWD does not request an extension of the Termination Date or the Bank denies or fails to respond to a request to extend the Termination Date or (B) the Bank purchases all outstanding Bonds following the occurrence of an Event of Default, IRWD shall use its best efforts to secure an Alternate Letter of Credit for the Bonds, convert the Bonds to a mode of interest that does not require credit enhancement, prepay the Bonds or defease the Bonds as soon as practicable.

(o) **Waiver of Sovereign Immunity.** IRWD hereby irrevocably waives, to the full extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Agreement and the Fee Letter. To the extent that IRWD has or hereafter may acquire under any applicable law any right to immunity from set-off or legal proceedings, on the grounds of sovereign immunity or any other similar doctrine, IRWD hereby irrevocably waives, to the full extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Agreement and the Fee Letter.

(p) **Return of Letter of Credit.** IRWD shall, upon the occurrence of the Termination Date, cause the Trustee to surrender forthwith the Letter of Credit to the Bank for cancellation.

(q) **Swap Termination Payments.** IRWD shall ensure that termination payments, if any, under any interest rate swap agreement or similar instrument that are secured by Revenues shall be Subordinate Obligations.

**Section 5.2. Negative Covenants of IRWD.** IRWD covenants and agrees that so long as any Bonds or any Bank Obligation shall be unpaid or unperformed or the Bank shall have any liability under or in respect of the Letter of Credit:

(a) **No Change in Financing Documents.** IRWD will not cancel, terminate, amend, supplement, modify or waive any of the provisions of the Financing Documents in a manner which could reasonably be expected to have a Material Adverse Effect or which

adversely affects the security for the Bank Obligations or the rights and remedies of the Bank under this Agreement, in each case without the prior written consent of the Bank.

(b) **Arbitrage.** IRWD shall not use, or permit the use of, any Bond proceeds in any manner which would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended.

(c) **Optional Redemption.** IRWD will not optionally redeem the Bonds under Section 3.04 of the Indenture unless IRWD has deposited with the Bank or the Trustee an amount equal to the principal amount of Bonds to be redeemed pursuant to Section 3.04 of the Indenture by the date of such redemption. IRWD shall ensure that Liquidity Provider-Owned Bonds are redeemed prior to the redemption of other Bonds.

(d) **No Priority Claim.** (i) IRWD will not incur, assume or permit any Debt (which term does not include Operation and Maintenance Expenses) with a claim to payment from the Net Revenues of higher priority than the claim of the Bank Obligations to payment from Net Revenues and (ii) IRWD will not incur, assume or permit any Debt secured by a pledge of Revenues of higher priority than the pledge securing the payment of the Bank Obligations hereunder.

(e) **Maintenance of Tax-Exempt Status of the Bonds.** IRWD will not take any action or omit to take any action which, if taken or omitted, would adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation or the exemption of such interest from State of California personal income taxes.

(f) **Offering Circular.** IRWD will not include, or permit to be included, any material or reference relating to the Bank in any offering circular or official statement, unless such material or reference is approved in writing by the Bank prior to its inclusion therein; and IRWD will not distribute, or permit to be distributed or used, any offering circular or official statement that includes a reference to the Bank unless a copy of such offering circular or official statement has first been furnished to the Bank.

(g) **Remarketing; Remarketing Agent.** IRWD will not permit the Remarketing Agent to remarket any Bonds (i) if an Event of Default shall have occurred and be continuing and the Bank shall have instructed IRWD not to permit the remarketing of such Bonds, or (ii) at a price less than the principal amount thereof plus accrued interest, if any, thereon to the respective dates of remarketing. IRWD shall not remove the Remarketing Agent or appoint any successor thereto without the prior written consent of the Bank. If the Remarketing Agent fails to make efforts as required under the Remarketing Agreement to perform its duties under, and in accordance with the terms of, the Remarketing Agreement or if the Remarketing Agent fails to remarket Liquidity Provider-Owned Bonds for thirty (30) consecutive calendar days, IRWD shall, at the written direction of the Bank, remove the Remarketing Agent. If the Remarketing Agent is removed or resigns, IRWD shall appoint a successor thereto in accordance with the terms of the Indenture and with the prior written consent of the Bank. Such appointment shall be made as soon as practicable and, in the case of resignation, no later than the resignation effective date. IRWD shall not enter into any Remarketing Agreement unless such Remarketing Agreement contains the

following: (i) an agreement on the part of the Remarketing Agent to use its best efforts to remarket Bonds, including Liquidity Provider-Owned Bonds, at rates up to an including the “Maximum Rate” (as defined in the Indenture); and (ii) a provision that requires that the Remarketing Agent’s resignation shall not become effective until thirty (30) day’s following the Remarketing Agent’s delivery of written notice to IRWD and the Bank and, if IRWD has not appointed a successor Remarketing Agent by the end of such thirty (30) day notice period but continues to pay remarketing fees to the Remarketing Agent, the Remarketing Agent’s resignation shall not become effective until the earlier of (A) the date on which a successor Remarketing Agent is appointed and (B) thirty (30) days from the expiration of such initial thirty (30) day notice period. Without limiting the preceding sentence, IRWD will not enter into any successor Remarketing Agreement without the prior written consent of the Bank, which consent shall not be unreasonably withheld, unless such successor Remarketing Agreement contains provisions that are substantially the same as those contained in, and affords protection to the rights and interests of the Bank that is substantially the same as that afforded by, the predecessor Remarketing Agreement.

(h) **Trustee.** IRWD will not appoint or permit or suffer to be appointed any successor Trustee without the prior written consent of the Bank, which consent shall not be unreasonably withheld.

(i) **Dissolution, Consolidation, Merger, etc.** IRWD will not dissolve without the prior written consent of the Bank. IRWD will not, without the prior written consent of the Bank, consolidate or merge with or into any other Person, unless:

(A) neither the validity nor the enforceability of this Agreement or any other Financing Document to which IRWD is a party shall be adversely affected thereby;

(B) such merger or consolidation shall be with or into another body politic and corporate or similar entity, which shall assume in writing or by operation of law the due and punctual performance and observance of all covenants, agreements and conditions of IRWD under this Agreement and the other Financing Documents to which IRWD is a party;

(C) such merger or consolidation would not have a Material Adverse Effect; and

(D) the Bank shall have received satisfactory evidence that no Rating Agency will lower, suspend or withdraw its Rating as a result of such merger or consolidation.

If IRWD will not be a surviving entity or successor entity of any such consolidation or merger, (i) at least thirty (30) days before the consummation of any such consolidation or merger, IRWD shall give notice thereof in reasonable detail to the Bank and (ii) IRWD promptly shall furnish such additional information with respect to any such consolidation or merger as the Bank shall request and, if the Bank shall so request, a certificate of an authorized officer of IRWD, in form and

substance satisfactory to the Bank, as to the matters set forth in paragraphs (A), (B) and (C) of this Section and as to such other matters as the Bank shall reasonably request.

(j) ***Lien on Revenues.*** IRWD will not create, incur or permit to exist any lien of any kind on the Revenues other than as expressly permitted in this Agreement.

(k) ***Additional Parity Obligations.*** IRWD shall not at any time issue additional Parity Obligations unless:

(i) The Net Revenues, plus any ad valorem assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, for the Applicable Fiscal Year, as evidenced by both a calculation prepared by IRWD and a special report on such calculation prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on file with IRWD, shall have been at least equal to one hundred twenty five percent (125%) of the Aggregate Debt Service for the Applicable Fiscal Year; and

(ii) Either of (1) or (2) below:

(1) The Net Revenues for the Applicable Fiscal Year, plus any adjustments to Net Revenues to give effect as of the first day of the Applicable Fiscal Year to increases or decreases in rates and charges of IRWD approved and in effect as of the date of calculation, plus any ad valorem assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, shall produce an amount at least equal to one hundred twenty-five percent (125%) of the sum of: (i) the Aggregate Debt Service for such Fiscal Year plus (ii) the Debt Service which would have accrued on any Parity Obligations issued since the end of the Applicable Fiscal Year assuming such Parity Obligations had been issued at the beginning of the Applicable Fiscal Year plus (iii) the Debt Service which would have accrued had the additional Parity Obligations to be issued been issued at the beginning of the Applicable Fiscal Year; or

(2) The estimated Net Revenues for each Fiscal Year in the Test Period, plus an allowance for estimated Net Revenues for each Fiscal Year in the Test Period arising from the completion of any uncompleted projects during the Test Period, plus any ad valorem assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, plus any increase in the income, rents, fees, rates and charges estimated to be received by IRWD and which are economically feasible and reasonably considered necessary based on projected operations for the Test Period, shall produce an amount in each Fiscal Year in the Test Period which is at least equal to one hundred twenty-five percent (125%) of the sum of: (i) Aggregate Debt

Service in each such Fiscal Year on all then outstanding Parity Obligations plus (ii) the Debt Service in each such Fiscal Year on the additional Parity Obligations to be issued plus (iii) the Debt Service in each such Fiscal Year on any additional Parity Obligations estimated by IRWD to be required to complete all uncompleted projects for which Parity Obligations have been or are being issued, assuming that all such additional Parity Obligations to complete uncompleted projects (other than the Parity Obligations to be issued) have maturities, interest rates and proportionate principal repayment provisions similar to the Parity Obligations then being issued.

(iii) Notwithstanding the provisions of subsections (i) and (ii) of this Section 5.2(k), IRWD may at any time issue additional Parity Obligations to refund outstanding Parity Obligations without satisfying any of the conditions set forth in such subsections if Aggregate Debt Service after the issuance of such additional Parity Obligations in each Fiscal Year in the Refunding Test Period is not greater than the Aggregate Debt Service in each such Fiscal Year before the issuance of such additional Parity Obligations.

(iv) Notwithstanding the provisions of subsections (i) and (ii) of this Section 5.2(k), IRWD may at any time issue a Parity Obligation constituting a Credit Support Agreement securing a Parity Obligation without satisfying any of the conditions set forth in such subsections if such Credit Support Agreement: (i) replaces a Prior Reimbursement Agreement (or a successor to a Prior Reimbursement Agreement) and does not increase the principal of bonds secured by the letter of credit relating to such Prior Reimbursement Agreement, or (ii) the Parity Obligations secured by the Credit Support Instrument relating to such Credit Support Agreement have been issued in accordance with subsections (i) and (ii) of this Section 5.2(k).

(v) Nothing herein shall preclude IRWD from issuing any Subordinate Obligations without complying with the provisions of any other subsection of this Section.

(l) ***Sale or Other Disposition of Property.*** IRWD will not sell, transfer or otherwise dispose of any of the works, plant, properties, facilities or other part or rights of the Operating Systems or any real or personal property comprising a part of the Operating Systems if such sale, transfer or disposition would cause IRWD to be unable to satisfy its obligations under the Indenture.

(m) ***No Additional Enhancement.*** So long as the Letter of Credit is in effect and the Bank's (A) unsecured short-term credit rating is not below "P1" by Moody's, below "A1" by S&P or below "F-1" by Fitch or (B) unsecured long-term credit rating is not below "A3" by Moody's, below "A-" by S&P or below "A-" by Fitch, IRWD shall not, without the consent of the Bank, deliver to the Trustee any Credit Support Instrument to secure the payment of the principal of, interest on, redemption price of or purchase price of the Bonds.

## ARTICLE VI

### CONDITIONS PRECEDENT

**Section 6.1. Conditions to Issuance and Delivery of Letter of Credit.** The obligation of the Bank to issue and deliver the Letter of Credit to the Trustee shall be subject to the fulfillment, at or before the issuance of the Letter of Credit, of each of the following conditions, in form and substance satisfactory to the Bank:

(a) ***The Financing Documents.*** The Financing Documents shall have been duly executed and delivered by each of the respective parties thereto and shall not have been modified, amended or rescinded, shall be in full force and effect on and as of the Effective Date and executed original or certified copies of this Agreement, the Fee Letter, the Indenture, the Remarketing Agreement and the Custodian Agreement shall have been delivered to the Bank.

(b) ***IRWD Proceedings, Etc.*** The Bank shall have received a certified copy of all resolutions and proceedings taken by IRWD authorizing the execution, delivery and performance of this Agreement and the other Financing Documents to which the IRWD is a party and the transactions hereunder and thereunder, together with such other certifications as to the specimen signatures of the officers of IRWD authorized to sign this Agreement and the other Financing Documents to be delivered by IRWD hereunder and as to other matters of fact as shall reasonably be requested by the Bank.

(c) ***Governmental Approvals, Etc.*** The Bank shall have received certified copies of all governmental approvals, if any, necessary for IRWD to execute, deliver and perform its obligations under the Financing Documents to which IRWD is a party.

(d) ***Certificate.*** The Bank shall have received a certificate signed by an authorized officer of IRWD (in his official capacity acting on behalf of IRWD), dated the Effective Date, to the same effect as paragraphs (a) through (c) of this Section 6.1, and to the further effect that (i) IRWD has obtained all consents, permits, licenses and approvals of, and has made all registration and declarations with governmental authorities required under law to authorize the execution, delivery and performance by IRWD of the Financing Documents; (ii) to the best knowledge of such officer (after due inquiry), no Default or Event of Default has occurred or is continuing or would result from the execution, delivery and performance of the Financing Documents; (iii) to the best knowledge of such officer (after due inquiry) there is no action, suit, investigation or proceeding to which IRWD is a party and which is pending or threatened (A) in connection with any of the transactions contemplated by this Agreement or any other Financing Document or (B) against or affecting IRWD or its assets, the result of which could reasonably be expected to have a Material Adverse Effect; and (iv) to the best knowledge of such officer (after due inquiry), no Material Adverse Effect has occurred since June 30, 2023. Such certificate shall cover such other matters incident to the transactions contemplated by this Agreement or any Financing Document as the Bank may reasonably request.

(e) **Reliance Upon Original Bond Counsel Opinion.** The Bank shall have received a reliance letter addressed to the Bank from Bond Counsel dated the Effective Date which letter shall permit the Bank to rely on the final approving opinion of Orrick, Herrington & Sutcliffe LLP dated April 15, 2011, and addressed to IRWD.

(f) **Favorable Opinion of Bond Counsel.** The Bank shall have received a Favorable Opinion of Bond Counsel addressed to the Bank from Bond Counsel dated the Effective Date relating to the issuance of the Letter of Credit.

(g) **Opinion of Counsel to IRWD.** The Bank shall have received an opinion addressed to the Bank of counsel to IRWD dated the Effective Date satisfactory in form and substance to the Bank.

(h) **Representations and Warranties True; No Default.** The Bank shall be satisfied that on the Effective Date each representation and warranty on the part of IRWD contained in this Agreement is true and correct in all material respects and no Default or Event of Default has occurred and is continuing, and the Bank shall receive a certificate, signed by the Treasurer of IRWD, to such effect.

(i) **IRWD Investments.** The Bank shall have received certified copies of (A) a summary of IRWD's current investment portfolio and (B) IRWD's investment policy and any amendments to either of the foregoing.

(j) **CUSIP Number.** The Bank shall have received evidence satisfactory to it that a CUSIP number has been assigned to Liquidity Provider-Owned Bonds.

(k) **Liquidity Provider-Owned Bond Rating.** The Bank shall have received evidence satisfactory to it that a rating of at least Investment Grade has been assigned to Liquidity Provider-Owned Bonds by any Rating Agency.

(l) **Other Requirements.** The Bank shall received such other certificates, approvals or filings, opinions and documents as shall be reasonably requested by the Bank.

**Section 6.2. Conditions Precedent to Liquidity Drawings and Term Loans.** A Liquidity Advance or a Term Loan shall be made available to IRWD only if (i) on the date of the Liquidity Drawing with respect to a Liquidity Advance, and (ii) on the Term Loan Date with respect to a Term Loan:

(a) the representations and warranties of IRWD contained in Article IV of this Agreement and in the other Financing Documents to which IRWD is a party are correct in all material respects on and as of the date of such Liquidity Advance or Term Loan Date as though made on and as of such date; provided, however, that the representations in Section 4.9 hereof shall be deemed to refer to the financial statements most recently delivered to the Bank in accordance with Section 5.1(f)(i) hereof; and

(b) no event has occurred and is continuing, or would result from the making of such Liquidity Advance or Term Loan, which constitutes a Default or Event of Default.



Unless IRWD shall have previously advised the Bank in writing that one or both of the above statements is no longer true, IRWD shall be deemed to have represented and warranted on the date of such payment that both of the above statements are true and correct.

## ARTICLE VII

### EVENTS OF DEFAULT

**Section 7.1. Events of Default.** Each of the following events, acts or occurrences shall constitute an “Event of Default” under this Agreement:

(a) (i) default in the payment when due of principal of any Liquidity Advance, Term Loan or reimbursement to the Bank for drawings for principal of any Bonds, (ii) default in the payment when due of interest on any Liquidity Advance, Term Loan or reimbursement to the Bank for drawings for interest on the Bonds or (iii) default in the payment for a period of three (3) days following the due date of any other Bank Obligation owing by IRWD; or

(b) IRWD shall default in the performance or observance of any term, covenant or agreement set forth in Section 5.1(a) (and such default shall continue after the applicable grace period, if any, specified in the agreement or instrument relating thereto), 5.1(e), 5.1(j), 5.1(k) or 5.2 hereof; or

(c) IRWD shall default in the performance or observance of any term, covenant, condition or agreement on its part to be performed or observed hereunder or under the Fee Letter (and not constituting an Event of Default under any other clause of this Section 7.1) and such default shall continue unremedied for ten (10) days after written notice thereof shall have been given to IRWD by the Bank, unless, in the case of any default that is curable, IRWD shall have notified the Bank within such ten day period that IRWD has commenced curing such default within such 10-day period, provided that no Event of Default shall occur under this subsection (i) only so long as IRWD is diligently prosecuting such cure to completion in a manner satisfactory to Bank, and (ii) if so requested by the Bank not less than thirty (30) days after the occurrence of such Default, IRWD shall deliver to the Bank evidence satisfactory to the Bank that such default is curable and that IRWD is diligently prosecuting such cure; or

(d) any of IRWD’s representations or warranties made herein or in any statement or certificate at any time given by or on behalf of IRWD pursuant hereto or in connection herewith, the Financing Documents and/or the Bonds is false or misleading in any material respect when made or deemed made; or

(e) IRWD shall either (i) become insolvent or generally fail to pay, or admit in writing its inability to pay, its debts as they become due; or (ii) voluntarily commence any proceeding or file any petition under any bankruptcy, insolvency or similar law seeking dissolution or reorganization or the appointment of a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business or to effect a plan or other arrangement with its creditors, or shall file any answer admitting the

jurisdiction of the court and the material allegations of an involuntary petition filed against it in any bankruptcy, insolvency or similar proceeding, or shall be adjudicated bankrupt, or shall make a general assignment for the benefit of creditors, or shall consent to, or acquiesce in the appointment of, a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business; or (iii) take any action for the purpose of effectuating any of the foregoing; or

(f) a moratorium shall have been declared or announced by any applicable Governmental Authority (whether or not in writing) with respect to any Debt of IRWD; or

(g) involuntary proceedings or an involuntary petition shall be commenced or filed against IRWD under any bankruptcy, insolvency or similar law seeking the dissolution or reorganization of IRWD or the appointment of a receiver, trustee, custodian or liquidator for IRWD or of a substantial part of the property, assets or business of IRWD, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of IRWD, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded, within thirty (30) days after commencement, filing or levy, as the case may be; or

(h) an “Event of Default” under the Indenture (as such term is defined in the Indenture) (and not constituting an Event of Default under any other clause of this Section 7.1) shall have occurred and be continuing (for the purpose of this provision the Indenture shall be deemed to continue in full force and effect notwithstanding any earlier termination thereof so long as any obligation of IRWD under this Agreement or the Fee Letter shall remain unpaid); or

(i) IRWD shall fail to pay any Parity Obligation in an amount equal to or greater than \$5,000,000 when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Parity Obligation; or any other default under any agreement or instrument relating to any such Parity Obligation, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Parity Obligation; or any such Parity Obligation shall be properly declared to be due and payable, or required to be prepaid (other than by optional or regularly scheduled prepayment), prior to the stated maturity thereof; or

(j) a judgment or order for the payment of money in excess of \$5,000,000 shall be rendered against IRWD and not satisfied by IRWD and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of sixty (60) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(k) any material provision of this Agreement or any other Financing Document to which IRWD is a party shall at any time for any reason cease to be valid and binding on IRWD, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by IRWD, or a proceeding shall be commenced by any governmental agency or authority having jurisdiction over IRWD seeking to establish the invalidity or unenforceability thereof, or IRWD shall deny that it has any or further liability or obligation under this Agreement or any other Financing Document to which it is a party; or

(l) any of the funds or accounts established pursuant to the Indenture or any funds or accounts on deposit, or otherwise to the credit of, such funds or accounts shall become subject to any stay, writ, judgment, warrant of attachment, execution or similar process by any of the creditors of IRWD and such stay, writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or stayed within fifteen (15) days after its issue or levy; or

(m) dissolution or termination of the existence of IRWD; or

(n) (i) the withdrawal or suspension of a Rating by a Rating Agency for credit-related reasons; or (ii) the downgrade by any of Moody's, S&P or Fitch of its Rating to a level below A2, A or A, respectively, and the continuance of such downgrade for sixty days or more; or (iii) the downgrade by a Rating Agency of its Rating to a level below Investment Grade; or

(o) any "event of default" under any agreement between IRWD and the Bank shall have occurred and be continuing.

**Section 7.2. Remedies.** Upon the occurrence and during the continuance of any Event of Default, the Bank at its option, may, upon notice to the Trustee and IRWD, do any one or more of the following:

(a) by written, electronic or telephonic notice, declare all payment Bank Obligations immediately due and payable, and the same shall thereupon become and be due and payable without demand, notice of demand, presentment, protest, notice of protest, notice of dishonor, notice of non-payment, or further notice of any kind, all of which are hereby expressly waived, and credit any sums received thereafter in such manner as it elects upon such indebtedness; provided, however, that such application of sums so received shall not serve to waive or cure any default existing under any of the Financing Documents nor to invalidate any notice of default or any act done pursuant to such notice and shall not prejudice any rights of the Bank or the Trustee;

(b) require, in accordance with the Indenture, the Trustee to accelerate payment of all Bonds and interest accrued thereon as provided in Section 8.02 of the Indenture thereby causing the Letter of Credit to expire fifteen (15) days later;

(c) require, in accordance with the Indenture, the Trustee to give notice of mandatory tender of the Bonds and to purchase all Bonds and interest accrued thereon and to register the Bonds in the name or at the direction of the Bank thereby causing the Letter of Credit to expire fifteen (15) days later; and/or

(d) exercise any or all rights provided or permitted by law or in equity or granted pursuant to any of the Financing Documents in such order and in such manner as the Bank may, in its sole judgment, determine;

provided, however, that upon the occurrence of any event specified in Section 7.1(e), (f) or (g) above, all payment Bank Obligations shall automatically and immediately become and be due and payable without demand, notice of demand, presentment, protest, notice of protest, notice of dishonor, notice of non-payment or further notice of any kind, all of which are hereby expressly waived.

**Section 7.3. No Waiver of Remedies.** No waiver of any breach of or default under any provision of any of the Financing Documents shall constitute or be construed as a waiver by the Bank of any subsequent breach of or default under that or any other provision of any of the Financing Documents.

**Section 7.4. Remedies Not Exclusive.** No remedy herein conferred upon the Bank is intended to be exclusive of any other remedy herein or in any other agreement between the parties hereto or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder, under the other Financing Documents or now or hereafter existing at law, in equity or by statute.

## ARTICLE VIII

### MISCELLANEOUS

**Section 8.1. No Waiver; Modifications in Writing.** No failure or delay on the part of the Bank in exercising any right, power or remedy hereunder or under the Fee Letter shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other right, power or remedy. No amendment, modification, supplement, termination or waiver of or to any provision of this Agreement or the Fee Letter, or consent to any departure by IRWD therefrom, shall be effective unless the same shall be in writing and signed by or on behalf of the Bank. Any amendment, modification or supplement of or to any provision of this Agreement or the Fee Letter, and any consent to any departure by IRWD from the terms of any provision of this Agreement or the Fee Letter, shall be effective only in the specific instance and for the specific purpose for which made or given. No notice to or demand on IRWD in any case shall entitle IRWD to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Bank to any other or further action in any circumstances without notice or demand. IRWD shall notify the Trustee of each amendment to this Agreement.

**Section 8.2. Further Assurances.** IRWD agrees to do such further acts and things and to execute and deliver to the Bank such additional assignment, agreements, powers and instruments as the Bank may reasonably require or deem advisable to carry into effect the purposes of this Agreement and the Fee Letter or to better assure and confirm unto the Bank its rights, powers, and remedies hereunder and thereunder.

**Section 8.3. Notices, Etc.** All notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto or under the Fee Letter or any

other Person shall be in writing and shall be personally delivered or sent by registered or certified mail, postage prepaid, or by prepaid facsimile and shall be deemed to be given for purposes of this Agreement and the Fee Letter on the day that such writing is delivered to the intended recipient thereof in accordance with the provisions of this Section 8.3. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section 8.3, notices, demands, instructions and other communications in writing shall be given to or made upon the respective parties hereto at their respective addresses (or to their respective facsimile numbers) indicated below:

If to IRWD:

Irvine Ranch Water District  
15600 Sand Canyon Avenue  
Irvine, California 92618  
Attention: Treasurer  
Telephone: (949) 453-5300  
Facsimile: (949) 453-0128

If to the Trustee:

The Bank of New York Mellon Trust Company,  
N.A.  
333 South Hope Street, Suite 2525  
Los Angeles, California 90071  
Attention: Marina Meza, Vice President  
Telephone: (213) 630-6228  
Email: marina.meza.@bnymellon.com

If to the Bank for  
credit matters, to:

Bank of America, N.A.  
315 Montgomery Street  
CA5-705-11-00  
San Francisco, California 94104  
Attention: Grace Barvin, Senior Vice President  
Telephone: (415) 913-2325  
Email: grace.barvin@bofa.com

With a copy to:

Bank of America, N.A.  
OK1-100-18-01  
211 N. Robinson, 18<sup>th</sup> Floor  
Oklahoma City, Oklahoma 73102  
Attention: Tricia Lott  
Telephone: (405) 230-1736  
Email: tricia.jones@bofa.com

If to the Bank with  
respect to the Letter  
of Credit to:

Bank of America, N.A.  
1 Fleet Way  
PA6-580-02-30  
Scranton, Pennsylvania 18507

Attention: Letter of Credit Department  
Telephone: (800) 370-7519, option 1  
Facsimile: (800) 755-8743

or at such other address as shall be designated by such party in a written notice to the other party hereto.

This Agreement, the Fee Letter and the Custodian Agreement may be transmitted and/or signed by facsimile. The effectiveness of any such documents and signatures shall, subject to applicable law, have the same force and effect as manually signed originals and shall be binding on IRWD and the Bank.

Electronic mail and hyperlinks to internet websites that do not require passwords may be used only to distribute routine notices, such as financial statements and other information, and to distribute documents for execution by the parties thereto, and may not be used for any other purpose unless delivery by such means is promptly followed by hand delivery, delivery by courier or delivery by facsimile.

**Section 8.4. Costs, Expenses and Taxes.** IRWD agrees to pay, subject to the receipt of an invoice, upon at least ten (10) days' prior notice, all reasonable costs and expenses of the Bank in connection with the fees and expenses of any custodian appointed by the Bank to hold any Liquidity Provider-Owned Bonds and any and all stamp or documentary taxes or any other excise or property taxes, charges or similar levies or fees payable or determined to be payable in connection with the execution, delivery, filing and recording of the Letter of Credit, this Agreement or the other Financing Documents, and any other documents which may be delivered in connection with this Agreement. In addition, IRWD agrees to pay on demand, any and all costs and expenses incurred by the Bank (including attorneys' fees) in connection with the enforcement, attempted enforcement or preservation of any rights or remedies of the Bank under this Agreement, the other Financing Documents and any other documents delivered hereunder, whether or not suit is filed and whether or not an Event of Default exists (including all such costs and expenses incurred during any "workout" or restructuring in respect of the Bank Obligations and during any legal proceeding, including any proceeding under any debtor relief law). To the extent permitted by law, IRWD agrees to save the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omitting to pay any taxes and fees to the extent IRWD is obligated to pay the same under this Section 8.4.

**Section 8.5. Assignments, Participations, etc.**

(a) The Bank may, with the consent of IRWD, which consent may be given or withheld in its sole discretion, at any time, upon forty five (45) days' notice to IRWD and the Trustee, assign and delegate to a Person (an "Assignee") all of its rights and obligations under the Financing Documents, including as issuer of the Letter of Credit; provided that the Bank provides written evidence from the Rating Agencies which then have a rating in effect for the Bonds that such assignment will not by itself result in a reduction, suspension or withdrawal of its rating of the Bonds.

(b) From and after the date that the Bank notifies IRWD, (i) the Assignee thereunder shall be a party hereto and shall have the rights and obligations of the Bank under the Financing Documents, and (ii) the Bank shall relinquish its rights and be released from its obligations under the Financing Documents.

(c) The Bank may at any time and from time to time sell to one or more commercial banks or other Persons not Affiliates of IRWD (a “Participant”) participating interests in its rights and obligations hereunder, including the Letter of Credit and the other interests of the Bank hereunder and under the other Financing Documents; provided, however, that (i) the Bank’s obligations under this Agreement shall remain unchanged, (ii) the Bank shall remain solely responsible for the performance of such obligations, and (iii) the participation of one or more Participants shall not result in a reduction of any rating for the Bonds, or reduce or alter the Bank’s obligations under this Agreement or affect in any way the rights or obligations of IRWD hereunder, under the Fee Letter or under the Bonds and IRWD shall have the right to continue to deal solely with the Bank. In the case of any such participation, the Participant shall be entitled to the benefit of Section 2.2(f) as though it were also the Bank hereunder (to the extent set forth therein), and if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as the Bank under this Agreement. Nothing contained in this Section 8.5(c) shall require delivery of a Rating Confirmation Notice (as defined in the Indenture) as a condition precedent to the sale by the Bank of any participating interest in the Bank’s rights and obligations hereunder, including the Letter of Credit and the other interests of the Bank hereunder and under the other Financing Documents.

(d) Notwithstanding anything to the contrary contained herein, the Bank may at any time assign and pledge all or any portion of the obligations of IRWD owing to it hereunder or Liquidity Provider-Owned Bonds to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to law, rule or regulation of the Board of Governors of the Federal Reserve System and any operating circular or guideline issued by such Federal Reserve Bank, provided that any payment in respect of such assigned obligations or Liquidity Provider-Owned Bonds made by IRWD to the Bank in accordance with the terms of this Agreement shall satisfy IRWD’s obligations hereunder in respect of such assigned obligation or Liquidity Provider-Owned Bonds to the extent of such payment. No such assignment by the Bank shall release the Bank from its obligations hereunder or under the Letter of Credit.

**Section 8.6. Execution in Counterparts.** This Agreement may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

**Section 8.7. Entire Agreement.** This Agreement and the Fee Letter constitute the entire agreement and understanding between the parties hereto and supersedes any and all prior agreements and understandings (oral or written) relating to the subject matter hereof.

**Section 8.8. Binding Effect; Assignment.** This Agreement shall be binding upon, and inure to the benefit of, IRWD and the Bank and their respective successors and assigns; provided, however, that IRWD may not assign its rights or obligations hereunder without the prior written consent of the Bank. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement, and their respective successors and assigns.

**Section 8.9. Governing Law; Venue.**

(a) The Bank's rights and obligations hereunder and under the Fee Letter shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be construed in accordance with the laws of said State, without regard to principles of conflicts of law. For purposes of IRWD's rights and obligations hereunder, this Agreement and the Fee Letter shall each be deemed to be a contract made under the laws of the State of California and for all purposes shall be construed in accordance with the laws of said State, without regard to principles of conflicts of law.

(b) Any and all disputes or legal actions or proceedings arising out of, under and/or pertaining to this Agreement, the Fee Letter, the Letter of Credit, the Custodian Agreement or any document related hereto or thereto may be brought in the courts of the State of California located in the City of Los Angeles or of the Courts of the United States of America for the Central District of California and, by execution and delivery of this Agreement, the parties hereto consent to and hereby accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of the aforesaid courts. To the maximum extent permitted by law, the parties hereto hereby irrevocably waive any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens, which they may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions. The provisions of this Section 8.9(b) shall not limit the right of IRWD to bring any such action or proceeding against the Bank in any jurisdiction where such action or proceeding is legally permissible. Each party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Nothing in this Section 8.9 shall affect the right of a party to serve legal process on the other party in any manner permitted by law or affect the right of a party to bring any suit, action or proceeding against the other party or its property in the courts of any other jurisdiction.

**Section 8.10. WAIVER OF JURY TRIAL.**

(a) TO THE FULL EXTENT PERMITTED BY LAW, IRWD AND THE BANK EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY FOR ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE FEE LETTER, THE LETTER OF CREDIT, THE CUSTODIAN AGREEMENT OR ANY OTHER DOCUMENT DELIVERED IN CONNECTION HERewith OR THEREwith, OR THE TRANSACTIONS



CONTEMPLATED HEREBY OR THEREBY OR IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY BANK-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH OF IRWD AND THE BANK FURTHER AGREES, TO THE FULLEST EXTENT PERMITTED BY LAW, THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT JURY. WITHOUT LIMITING THE FOREGOING, TO THE EXTENT PERMITTED BY LAW, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT, THE FEE LETTER, THE LETTER OF CREDIT, THE CUSTODIAN AGREEMENT OR ANY OTHER DOCUMENT DELIVERED IN CONNECTION HERewith OR THEREWITH OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND ANY OTHER DOCUMENTS DELIVERED IN CONNECTION THEREWITH.

(b) In the event the waiver of jury trial as set forth in subsection (a) of this Section shall be declared void or unenforceable, each of IRWD and the Bank agrees to refer the dispute to a judicial referee in accordance with the provisions of Section 638 et seq. of the California Code of Civil Procedure.

**Section 8.11. Severability of Provision.** Any provision of this Agreement or the Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or thereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

**Section 8.12. Headings.** Article and Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

**Section 8.13. Actions Relating to the Financing Documents; Indemnity.**

(a) **Related Actions.** Any action taken or omitted by the Bank under or in connection with the Financing Documents, if taken or omitted in good faith and without willful misconduct or gross negligence, shall be binding upon IRWD and shall not put the Bank under any resulting liability. Without limiting the generality of the foregoing, the Bank shall be protected in relying upon a duly executed instrument of transfer in the form attached as an annex to the Letter of Credit.

(b) **No Liability.** The Bank shall not have any liability to IRWD, and IRWD assumes all risk and responsibility for (i) the form, sufficiency, correctness, validity, genuineness, falsification and legal effect of any demands and other documents, instruments and other papers relating to the Letter of Credit even if such documents, should

prove to be in any or all respects invalid, insufficient, fraudulent or forged, (ii) the general and particular conditions stipulated therein, (iii) the good faith acts of any Person whatsoever in connection therewith, (iv) failure of any Person (other than the Bank, subject to the terms and conditions hereof) to comply with the terms of the Letter of Credit, (v) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telex, telegraph, wireless or otherwise, whether or not they be in code, (vi) errors in translation or errors in interpretation of technical terms, (vii) for any other consequences arising from causes beyond the Bank's control, (viii) any use of which may be made of the Letter of Credit or any acts or omissions of the Trustee and any other beneficiary or transferee in connection therewith, (ix) payment by the Bank against presentation of documents which do not comply with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit, or (x) any other circumstances whatsoever in making or failing to make payment under the Letter of Credit, except that IRWD shall have a claim against the Bank individually, and the Bank individually shall be liable to IRWD, to the extent of any direct, as opposed to consequential, damages suffered by IRWD which a court of competent jurisdiction determines were caused by (i) the Bank's willful misconduct or gross negligence in determining whether documents presently under the Letter of Credit comply with the terms of the Letter of Credit or (ii) the Bank's willful or grossly negligent failure to make lawful payment under the Letter of Credit after the presentation to it by the Trustee or a successor depository under the Indenture of a demand for payment strictly complying with the terms and conditions of the Letter of Credit.

(c) ***Waiver of Right to Object.*** IRWD waives any right to object to any payment made under the Letter of Credit against a demand and accompanying documents as provided in the Letter of Credit varying in punctuation, capitalization, spelling or similar matters of form. The Bank may accept any demands and other documents that appear on their face to be in accordance with the procedures for presentation set forth in the Letter of Credit, without responsibility for further investigation.

(d) ***Indemnification.*** Recognizing that transactions such as the issuance and sale of the Bonds sometimes result in threatened or actual litigation and that the Bank's role under the Financing Documents is limited to acting solely as the issuer of the Letter of Credit to enhance the credit quality of the Bonds and to provide for an efficient mechanism for the payment of principal and interest thereon and the purchase price thereof, IRWD agrees to indemnify and hold each Bank-Related Person harmless to the full extent lawful against any and all claims, damages, losses, liabilities, costs and expenses incurred (including all reasonable fees and disbursements of each such Bank-Related Person's legal counsel and allocated cost of in-house counsel and staff and all of each Bank-Related Person's reasonable travel and other out-of-pocket expenses incurred in connection with the investigation of and preparation for any such pending or threatened claims and any litigation and other proceedings arising therefrom) arising out of or based upon (i) the issuance of the Letter of Credit, (ii) the holding or owning by the Bank or its nominee of any Bond, (iii) the issuance, sale and distribution of the Bonds, including without limitation the inclusion of any untrue statement or alleged untrue statement of a material fact contained in any offering statement made available to purchasers of the Bonds, or any amendments or supplements thereto, or the omission or alleged omission to state therein a

material fact required to be stated therein or necessary to make the statements therein, in the light of circumstances under which they were made, not misleading, except insofar as any such claims, losses and expenses arise out of or are based on an untrue statement or alleged untrue statement in, or omission or alleged omission from, such offering statement (or any amendments or supplements thereto) made in reliance upon and in conformity with information furnished in writing to IRWD by the Bank, or (iv) by reason of or in connection with the execution and delivery or transfer of, or payment or failure to make payment under, the Letter of Credit; provided, however, that IRWD shall not be required to indemnify a Bank-Related Person pursuant to clause (iv) for any claims, damages, losses, liabilities, costs or expenses to the extent caused by (A) such Bank-Related Person's willful misconduct or gross negligence in determining whether documents presented under the Letter of Credit comply with the terms of the Letter of Credit or (B) such Bank-Related Person's willful or grossly negligent failure to make lawful payment under the Letter of Credit of a demand for payment strictly complying with the terms and conditions of the Letter of Credit. Nothing in this Section 8.13 is intended to limit IRWD's obligations contained in Article II hereof.

The obligations of IRWD under this Subsection (d) shall be in addition to any rights that any Indemnitee may have at common law or otherwise and shall survive the Termination Date. If indemnification pursuant to this Subsection (d) shall be found to be unlawful or invalid for any reason, then IRWD and each Indemnitee shall to the extent lawful make contributions in payment of any liabilities incurred pursuant to the above referenced issuance, sale and distributions and statements or omissions in accordance with the respective fault of IRWD and each Indemnitee.

If any action shall be brought against the Bank in respect of which indemnity may be sought against IRWD, the Bank shall promptly notify IRWD in writing, and IRWD shall promptly assume the defense thereof, including the employment of counsel (the selection of which shall have been approved by the Bank and such approval shall not be unreasonably withheld), the payment of all expenses and the right to negotiate and consent to settlement. IRWD shall not settle any such action which adversely affects the Bank without the Bank's consent. In the event that the Bank shall be advised by counsel experienced in matters of banking or securities laws that the Bank has defenses or causes of action separate from those of IRWD, the Bank shall have the right to employ counsel (which counsel shall be acceptable to the IRWD in its reasonable discretion) to defend such action and to participate in the defense thereof, and the fees and expenses of such counsel shall be at the expense of IRWD. IRWD shall not be liable for any settlement of any such action effected without its consent by the Bank, but if settled with the consent of IRWD, or if there be a final judgment for the plaintiff in any such action against IRWD or the Bank, with or without the consent of IRWD, IRWD agrees to indemnify and hold harmless the Bank to the extent provided herein.

**Section 8.14. Notice to Trustee.** Unless made directly to the Bank by the Trustee, the Bank will notify the Trustee promptly upon the Bank's receipt of payment with respect to the Liquidity Provider-Owned Bonds.

**Section 8.15. USA Patriot Act.** The Bank hereby notifies IRWD that, pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107 56 signed into law October 26, 2001), it is required to obtain, verify and record information that identifies IRWD, which information includes the name and address of IRWD and other information that will allow the Bank to identify

IRWD in accordance with the USA Patriot Act. IRWD hereby agrees that it shall promptly provide such information upon request by the Bank.

**Section 8.16. No Advisory or Fiduciary Relationship.** In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Financing Document), IRWD acknowledges and agrees that: (a) (i) the services regarding this Agreement provided by the Bank and any affiliate thereof are arm's-length commercial transactions between IRWD, on the one hand, and the Bank and its affiliates, on the other hand, (ii) IRWD has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) IRWD is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Financing Documents; (b) (i) the Bank and its affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be, acting as an advisor, agent or fiduciary for IRWD and (ii) neither the Bank nor any of its affiliates has any obligation to IRWD with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Financing Documents; and (c) the Bank and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of IRWD, and neither the Bank nor any of its affiliates has any obligation to disclose any of such interests to IRWD. To the fullest extent permitted by law, IRWD hereby waives and releases any claims that it may have against the Bank or any of its affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

**Section 8.17. US QFC Stay Rules.** (a) ***Recognition of U.S. Resolution Regimes.*** In the event that any party that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of this Agreement (and any interest and obligation in or under this Agreement and any property securing this Agreement) from such Covered Entity will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement (and any such interest, obligation and property) were governed by the laws of the United States or a state of the United States. In the event that any party that is a Covered Entity or a BHC Act Affiliate of such party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights against such party with respect to this Agreement are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States. The requirements of this paragraph (a) apply notwithstanding the provisions of paragraph (b).

(b) ***Limitation on the Exercise of Certain Rights Related to Affiliate Insolvency Proceedings.*** Notwithstanding anything to the contrary in this Agreement or any related agreement, but subject to the requirements of paragraph (a), no party to this Agreement shall be permitted to exercise any Default Right against a party that is a Covered Entity with respect to this Agreement that is related, directly or indirectly, to a BHC Act Affiliate of such Covered Entity becoming subject to Insolvency Proceedings, except to the extent the exercise of such Default Right would be permitted under 12 C.F.R. § 252.84, 12 C.F.R. § 47.5, or 12 C.F.R. § 382.4, as applicable. After a BHC Act Affiliate of a party that is a Covered Entity has become subject to Insolvency Proceedings, any party that seeks to exercise a Default Right against such Covered

Entity with respect to this Agreement shall have the burden of proof, by clear and convincing evidence, that the exercise of such Default Right is permitted hereunder.

*[Remainder of Page Intentionally Left Blank]*

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 above written.

**IRVINE RANCH WATER DISTRICT**

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

Name: Douglas J. Reinhart

Its: President

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

Name: Leslie Bonkowski

Its: Secretary

**BANK OF AMERICA, N.A.**

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

Name: Grace Barvin

Title: Senior Vice President

**APPENDIX A**

**LETTER OF CREDIT TO BE INSERTED**



**APPENDIX B  
NO EVENT OF DEFAULT CERTIFICATE**

[Date]

Bank of America, N.A.  
315 Montgomery Street  
CA5-705-11-00  
San Francisco, California 94104  
Attention: Grace Barvin

Bank of America, N.A.  
OK1-100-18-01  
211 N. Robinson, 18th Floor  
Oklahoma City, Oklahoma 73102  
Attention: Tricia Lott

Re: Bonds of Irvine Ranch Water District Refunding Series 2011A-1 (the “Bonds”)

Ladies and Gentlemen:

Reference is hereby made to (i) that certain Reimbursement Agreement dated as of February 1, 2024 (as the same may be amended, modified and supplemented from time to time, the “Agreement”), between Irvine Ranch Water District (the “District”) and Bank of America, N.A. (the “Bank”) and (ii) the Letter of Credit described in the Agreement supporting the above-referenced Bonds. All capitalized terms contained herein which are not specifically defined shall be deemed to have the definitions set forth in the Agreement. In connection with Section 5.1(f)(ii) of the Agreement, the undersigned authorized officer of IRWD hereby certifies that, to the best knowledge of such officer (after due inquiry), **[no Event of Default or Default was continuing on \_\_\_\_\_, 202\_, or on the date of this Certificate)] [or] [an Event of Default or Default was continuing on \_\_\_\_\_, 202\_, or on the date of this Certificate. The nature of Event of Default or Default is [describe] and the action IRWD proposes to take with respect thereto is [describe]].**

**IRVINE RANCH WATER DISTRICT**

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

**APPENDIX C  
CUSTODIAN AGREEMENT**

CUSTODIAN AGREEMENT, dated as of February 1, 2024 (as the same may be amended, modified and supplemented from time to time, this "*Agreement*"), is entered into among BANK OF AMERICA, N.A., a national banking association (the "*Bank*"), IRVINE RANCH WATER DISTRICT, a California water district (the "*IRWD*"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. ("*BNY Mellon*"), as custodian for the Bank.

WITNESSETH:

WHEREAS, the Bank will issue its irrevocable direct-pay letter of credit (the "*Letter of Credit*") to provide credit and liquidity support for the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1 (the "*Bonds*") issued pursuant to an Indenture of Trust, dated as of April 1, 2011, between the IRWD and The Bank of New York Mellon, N.A., in its capacity as trustee (the "*Trustee*"; and such Indenture, as supplemented and amended, the "*Indenture*");

WHEREAS, the Letter of Credit may be drawn upon to pay, among other things, the purchase price of Bonds tendered or deemed tendered for purchase under certain circumstances as set forth in the Indenture; and

WHEREAS, it is a condition precedent, among others, to the obligation of the Bank to issue the Letter of Credit and enter into the Reimbursement Agreement, dated as of February 1, 2024, between IRWD and the Bank (as the same may be amended, modified, supplemented and restated from time to time, the "*Reimbursement Agreement*"), that BNY Mellon and IRWD shall have executed and delivered this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, the terms and conditions of this Agreement, and other good and valuable consideration, the parties hereto do hereby agree as follows:

1. Definitions. All terms capitalized herein and not defined herein shall have the meaning ascribed to them in the Indenture, or, if not defined therein, the meanings ascribed to them in the Reimbursement Agreement.

2. Appointment and Acceptance.

(a) The Bank hereby appoints BNY Mellon to act as agent, bailee and custodian ("*Custodian*") for the exclusive benefit of the Bank with respect to the Liquidity Provider-Owned Bonds. BNY Mellon hereby accepts such appointment and agrees to maintain and hold all Liquidity Provider-Owned Bonds at any time delivered to it as agent, bailee or custodian for the exclusive benefit of the Bank in accordance with the terms of this Agreement.

(b) The Custodian acknowledges and agrees that it is acting and will act with respect to the Liquidity Provider-Owned Bonds at the direction of the Bank for the exclusive benefit of the Bank and is not and shall not at any time be subject in any manner or to any extent to the direction or control of IRWD with respect to such Liquidity Provider-Owned Bonds. The Custodian agrees to act in strict accordance with this Agreement and in accordance with any lawful written instructions from the Bank delivered to the Custodian from time to time pursuant hereto. Under no circumstances shall the Custodian deliver possession of the Liquidity Provider-Owned Bonds to, or cause Liquidity Provider-Owned Bonds to be registered in the name of, IRWD, the Remarketing Agent or any Person other than the Bank except in accordance with the express terms of this Agreement or otherwise upon the written instructions of the Bank.

(c) The Custodian may rely and shall be protected in acting upon any document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Custodian shall not be liable for any error in judgment made in good faith by its responsible officers, employees and agents unless the Custodian, its responsible officers, employees or agents were grossly negligent or engaged in willful misconduct. Anything herein to the contrary notwithstanding, the Custodian shall have no liability hereunder for any act or omission except as shall result from its gross negligence or willful misconduct.

3. Receipt of the Liquidity Provider-Owned Bonds. The Custodian agrees to receive and hold Liquidity Provider-Owned Bonds in custody for the Bank; provided, however, if the Liquidity Provider-Owned Bonds are Liquidity Provider-Owned Bonds registered in the name of a Securities Depository or its nominee, the Custodian shall establish a beneficial ownership account in the name of the Bank on its books and records as a participant of the Securities Depository and shall credit such account with all Liquidity Provider-Owned Bonds (or beneficial ownership interests therein) acquired by the Bank. Immediately upon the Custodian's receipt of Liquidity Provider-Owned Bonds, the Custodian shall (a) promptly give telephonic, e-mail or facsimile notice to the Bank that it has received such Liquidity Provider-Owned Bonds and (b) within three (3) Business Days following such receipt, send or cause to be sent to the Bank, (i) a copy of the transfer journal entry for such Liquidity Provider-Owned Bonds identifying the principal amount of such Liquidity Provider-Owned Bonds and (ii) confirmation that the Bank or its nominee has been registered as the owner of such Liquidity Provider-Owned Bonds.

The Custodian acknowledges that it is familiar with the procedures set forth in a notice from The Depository Trust Company ("*DTC*"), dated April 4, 2008, respecting "Variable Rate Demand Obligations ("*VDRO*") Failed Remarketings and Issuance of Bank Bonds", as amended by DTC Notice number B3488-08, dated May 15, 2008 (as amended, the "*DTC April 4 Notice*") which, as of the date hereof, must be followed in the event that any of the Bonds that are tendered for purchase become Liquidity Provider-Owned Bonds. The Custodian agrees that, if any of the Bonds become Liquidity Provider-Owned Bonds and if the DTC April 4 Notice is in effect at such time, at the expense of IRWD, it will follow the DTC procedures set forth in the DTC April 4 Notice, as the same may be amended from time to time, including the withdrawal from DTC of any Bonds that have become Liquidity Provider-Owned Bonds and the simultaneous deposit with DTC of the Liquidity Provider-Owned

Bonds, as identified by new CUSIP numbers, to be held in the DTC account of the Bank. The Bank agrees that it shall not request the Custodian to, and the Custodian shall not be required to, deviate from the DTC procedures set forth in the DTC April 4 Notice, as amended from time to time, to the extent that the DTC April 4 Notice is in effect.

4. Payments with respect to the Liquidity Provider-Owned Bonds. If, while this Agreement is in effect, the Custodian shall become entitled to receive or shall receive any payment in respect of any Liquidity Provider-Owned Bonds, the Custodian agrees to accept the same as the Bank's agent and to hold the same in trust on behalf of the Bank and to deliver the same forthwith to the Bank in accordance with the payment instructions provided to the Custodian from time to time by the Bank in writing (any such payment instructions to remain effective until the Custodian receives written instructions from the Bank to the contrary).

5. Release of Liquidity Provider-Owned Bonds. Upon the remarketing of any Liquidity Provider-Owned Bonds and the Bank's receipt of BNY Mellon's (in its capacity as Trustee) duly completed and executed certificate in the form of Annex 9 to the Letter of Credit, the Custodian shall release Liquidity Provider-Owned Bonds in a principal amount equal to the principal amount so remarketed to the Remarketing Agent in accordance with the terms of the Indenture. In order to facilitate the transfer of Liquidity Provider-Owned Bonds, the Bank agrees to deliver to the Custodian from time to time upon the written request of the Custodian, instruments of transfer duly endorsed in blank by the Bank.

6. No Disposition, Etc. Except as provided in Section 5 above, without the prior written consent of the Bank, the Custodian agrees that it will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, Liquidity Provider-Owned Bonds, and will not create, incur or permit to exist any pledge, lien, mortgage, hypothecation; security interest, charge, option or any other encumbrance (except for the lien of the Bank) or take any other action with respect to Liquidity Provider-Owned Bonds, or any interest therein, or any proceeds thereof.

7. Information Regarding Liquidity Provider-Owned Bonds. The Custodian shall deliver to the Bank at the Bank's request such information as may be in the possession of the Custodian with respect to Liquidity Provider-Owned Bonds.

8. Standard of Care. The Custodian agrees that it will perform its duties hereunder in accordance with the express terms of this Agreement. The Custodian shall perform such duties and only such duties as set forth herein and no implied covenants or obligations shall be read into this Agreement against the Custodian. The Custodian shall not be liable to the Bank except for gross negligence or willful misconduct in the performance of its obligations under this Agreement. The Bank shall indemnify the Custodian and its officers, directors, agents and employees for and hold it harmless against any and all liability, cost, claim, expense, judgment or suit arising out of the performance of its obligations under this Agreement except for any liability cost, claim, expense, judgment or suit arising out of the gross negligence or willful misconduct of the Custodian. None of the provisions of this Agreement shall require the Custodian to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Custodian may conclusively

rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Custodian may consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel. The Custodian may execute any or the trusts of powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Custodian agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that, the Custodian shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Bank elects to give the Custodian e-mail or facsimile instructions (or instructions by similar electronic method) and the Custodian in its discretion elects to act upon such instructions, the Custodian's understanding of such instructions shall be deemed controlling. The Custodian shall not be liable for any losses, costs or expenses arising directly or indirectly from the Custodian's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Bank agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Custodian, including without limitation the risk of the Custodian acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Any bank, corporation or association into which the Custodian may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Custodian shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Custodian shall be the successor of the Custodian hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

The terms of this section 8 shall survive the termination of this Agreement and the earlier removal or resignation of the Custodian.

9. Removal or Resignation. The Custodian, at any time, effective upon five business day's prior written notice to the Bank, may resign, and the Bank may, at any time, effective immediately, and with or without cause, remove and discharge the Custodian from the performance of the Custodian's duties under this Agreement by written notice to the Custodian. Upon the effective date of any such termination or resignation, the Custodian shall deliver all Liquidity Provider-Owned Bonds then in its custody to any successor custodian to

be held in accordance with this Agreement or any other document executed by such successor custodian or, if the Bank has not designated a successor custodian, to the Bank.

10. Payment of Expenses. IRWD acknowledges and agrees that the transactions contemplated by this Agreement are for the benefit of IRWD and IRWD agrees to pay or cause to be paid all reasonable out-of-pocket fees, costs, disbursements, taxes and expenses (including, without limitation, the reasonable attorney's fees and expenses) incurred in connection with the enforcement of this Agreement by the Bank and, except as otherwise provided herein, the performance by the Custodian and the Bank of their respective obligations hereunder.

IRWD agrees to pay the Custodian's fees and reimburse the Custodian for its out-of-pocket expenses (including, without limitation, legal fees and expenses) pursuant to a separate fee schedule with the Custodian.

11. Further Assurances. The Custodian and IRWD each agree that at any time upon the written request of the Bank and at the expense of IRWD, such party will execute and deliver or cause to be executed and delivered any and all such further documents and do any and all such further acts and things as the Bank may reasonably request in order to effect the purposes of this Agreement.

12. Availability of Documents. The Custodian agrees to keep and to cause its agents to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available upon reasonable prior notice for inspection by the Bank, its agents, accountants, attorneys and auditors.

13. Originals and Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and which counterparts shall constitute and be one and the same instrument.

14. Notices. Except as otherwise expressly provided in this Agreement, all notices shall be in writing, and delivered personally or by certified or registered United States mail, postage prepaid, or by expedited mail or courier, return receipt requested, charges prepaid, addressed to the respective party at the address set forth below:

If to the Bank, to:	Bank of America, N.A. 315 Montgomery Street CA5-705-11-00 San Francisco, California 94104 Attention: Grace Barvin, Senior Vice President Telephone: (415) 913-2325 Email: grace.barvin@bofa.com
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With a copy to:	Bank of America, N.A. OK1-100-18-01 211 N. Robinson, 18 <sup>th</sup> Floor
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Oklahoma City, Oklahoma 73102  
Attention: Tricia Lott  
Telephone: (405) 230-1736  
Email: [tricia.jones@bofa.com](mailto:tricia.jones@bofa.com)

If to the Custodian: The Bank of New York Mellon Trust Company, N.A.  
333 South Hope Street, Suite 2525  
Los Angeles, California 90071  
Attention: Marina Meza, Vice President  
Telephone: (213) 630-6228  
Email: [marina.meza@bnymellon.com](mailto:marina.meza@bnymellon.com)

If to IRWD: Irvine Ranch Water District  
15600 Sand Canyon Avenue  
Irvine, California 92618  
Attention: Treasurer  
Telephone: (949) 453-5300  
Facsimile: (949) 453-0128

Any party may change the address to which notices are to be sent by giving written notice of such change to the other parties hereto.

15. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

16. Waivers, Amendments. None of the terms or provisions of this Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by each of the Bank, IRWD and the Custodian. This Agreement and all obligations of the Custodian and IRWD hereunder shall be binding upon their respective successors and assigns and shall, together with the rights and remedies of the Bank hereunder, inure to the benefit of the Bank and its successors and assigns.

17. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered on the day and year first above written.

**BANK OF AMERICA, N.A.**

By: \_\_\_\_\_  
Name: Grace Barvin  
Title: Senior Vice President



**IRVINE RANCH WATER DISTRICT**

By: \_\_\_\_\_  
Name: Douglas J. Reinhart  
Its: President

By: \_\_\_\_\_  
Name: Leslie Bonkowski  
Its: Secretary

The Bank of New York Mellon Trust  
Company, N.A., in its capacity as Custodian

By: \_\_\_\_\_  
Title: Authorized Signatory

*-Signature Page-*  
*Custodian Agreement*

February 8, 2024

Irvine Ranch Water District  
Series 2011A-1 Bonds  
Fee Letter

Irvine Ranch Water District  
15600 Sand Canyon Avenue  
Irvine, California 92718  
Attention: Treasurer

Ladies and Gentlemen:

Reference is made to that certain Reimbursement Agreement dated as of February 1, 2024 (as the same may be amended, modified or supplemented from time to time, the “*Agreement*”), between Irvine Ranch Water District (“*you*” or “*IRWD*”) and Bank of America, N.A. (“*BANA*” or the “*Bank*”), relating to the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1. Any capitalized term below that is defined in the Agreement shall have the same meaning when used herein. This letter is the Fee Letter described in the Agreement.

In order to induce BANA to issue the Letter of Credit dated the date hereof, IRWD agrees to make the following payments at the following times:

(1) IRWD agrees to pay to the Bank on April 1, 2024, for the period commencing on February 8, 2024 to and including March 31, 2024, and in arrears on the first Business Day of each July, October, January and April until the Termination Date and on the Termination Date, a letter of credit fee (the “*Letter of Credit Fee*”) on the daily average undrawn Stated Amount of the Letter of Credit in effect from time to time from the date of this Fee Letter to and including the Termination Date, at the Letter of Credit Fee Rate. As used herein, “*Letter of Credit Fee Rate*” means the fee rate per annum set forth in the grid below opposite Level 1; provided, however, if any Rating Agency downgrades its Rating to a Level less than Level 1, the applicable “*Letter of Credit Fee Rate*” shall be the rate per annum set forth in the grid below opposite the Level that corresponds to (i) the Level that contains all of the Ratings in the event the Ratings fall within a single Level, (ii) the Level that contains two Ratings in the event the Ratings from three Rating Agencies fall within two Levels, (iii) the second lowest Level in the event the Ratings fall within three Levels or (iv) the Level that contains the lower rating in the event that IRWD has determined to have Ratings assigned by only two Rating Agencies and the Ratings fall within different Levels (it being understood that Level 1 is the highest Level):

LEVEL	MOODY’S RATING	S&P RATING	FITCH RATING	LETTER OF CREDIT FEE RATE
Level 1:	Aa2 or above	AA or above	AA or above	0.320%

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	LETTER OF CREDIT FEE RATE
Level 2:	Aa3	AA-	AA-	0.345%
Level 3:	A1	A+	A+	0.445%
Level 4:	A2	A	A	0.595%
Level 5:	A3	A-	A-	0.745%
Level 6:	Baa1	BBB+	BBB+	0.995%
Level 7:	Baa2	BBB	BBB	1.245%
Level 8:	Baa3	BBB-	BBB-	1.745%

Notwithstanding the foregoing, the Letter of Credit Fee Rate shall be increased by 1.50% per annum from the Letter of Credit Fee Rate in effect immediately prior thereto, (a) in the event that (i) any Rating is withdrawn, suspended or otherwise unavailable from any Rating Agency (other than as a result of IRWD's determination for reasons other than credit-related reasons or an imminent withdrawal, suspension or downgrade to reduce the number of Rating Agencies assigning Ratings from three to two) or (ii) only one Rating Agency is providing a Rating, and/or (b) upon the occurrence and during the continuance of an Event of Default other than an Event of Default of the type described in clauses (i) and (ii) of Section 7.1(n) of the Agreement. Any change in the Letter of Credit Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to the Ratings above are references to the rating categories of the Rating Agencies as presently determined by the respective Rating Agencies and in the event of adoption of any new or changed rating system by any Rating Agency, the Ratings from the applicable Rating Agency shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. BANA and IRWD acknowledge that as of the date hereof the Letter of Credit Fee Rate is that specified above for Level 1.

(2) IRWD may terminate the Letter of Credit without the payment of a termination fee in accordance with the terms and provisions of the Letter of Credit and Section 2.5 of the Agreement.

(3) A draw fee of \$250 for each drawing under the Letter of Credit, payable on each Business Day on which the Bank honors the amount of any such drawing or, if IRWD so elects, payable quarterly in arrears along with the Letter of Credit Fee.

(4) The Bank's customary courier fees and wire transfer fees payable promptly following IRWD's receipt of an invoice therefor.

(5) Upon each transfer of the Letter of Credit in accordance with its terms, a transfer commission equal to \$2,500.

(6) (A) At the time any non-material amendment, waiver, supplement or restatement of the Agreement is requested or (B) in connection with any Bank consent required for any non-material amendment, waiver, supplement or restatement of any Financing Document (other than the Agreement) at the time such consent is sought, a fee of \$2,500 plus reasonable attorneys' fees and expenses, which fee shall be earned and payable whether or not any such amendment, waiver, supplement or restatement is executed or consent granted. Fees for material amendments, waivers, supplements, restatements, supplements and consents shall be negotiated at the time sought.

All amounts paid pursuant to this Fee Letter shall be non-refundable. Computations of the Letter of Credit Fee shall be made on the basis of a 360-day year and actual days elapsed. All amounts paid pursuant to this Fee Letter shall be paid in the manner and to the account set forth in the Agreement.

This Fee Letter may not be amended or waived except by an instrument in writing signed by BANA and you.

The provisions of Sections 8.9 and 8.10 of the Agreement shall be incorporated by this reference into this Fee Letter as if such provisions were set forth in their entirety except that references to other agreements or "this Agreement" shall mean this Fee Letter and references to "hereunder" or "hereof" shall mean under this Fee Letter or of this Fee Letter.

This Fee Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Fee Letter by electronic transmission shall be effective as delivery of a manually executed counterpart hereof.

This Fee Letter is delivered to you on the understanding that neither this Fee Letter nor any of its terms shall be disclosed, directly or indirectly, to any other person except (a) to your officers, directors, employees, accountants, attorneys, agents and advisors who are directly involved in the consideration of this matter on a confidential and need-to-know basis and for whom you shall be responsible for any breach by any of them of this confidentiality undertaking or (b) under compulsion of law (whether by interrogatory, subpoena, civil investigative demand or otherwise) or by order of any court or governmental or regulatory body, provided that, to the extent permitted, you shall give us reasonable prior notice of such disclosure.

*[Remainder of page intentionally left blank.]*

Please confirm that the foregoing is our mutual understanding by signing and returning to BANA an executed counterpart of this Fee Letter. This Fee Letter shall become effective as of the date first above referenced upon our receipt of an executed counterpart of this Fee Letter from you.

Very truly yours,

BANK OF AMERICA, N.A.

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

Name: Grace Barvin

Title: Senior Vice President

Accepted and agreed to  
as of the date first  
written above by:

IRVINE RANCH WATER DISTRICT

By: \_\_\_\_\_  
Name: Douglas J. Reinhart  
Title: President

By: \_\_\_\_\_  
Name: Leslie Bonkowski  
Title: Secretary

**IRREVOCABLE LETTER OF CREDIT**

**Bank of America, N.A.  
One Fleet Way  
PA6-580-02-30  
Scranton, Pennsylvania 18507**

LETTER OF CREDIT No. [            ]	ISSUE DATE February 8, 2024	STATED EXPIRATION DATE February 8, 2027	INITIAL STATED AMOUNT \$39,193,263
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The Bank of New York Mellon Trust Company, N.A.,  
as Trustee  
233 South Hope Street, Suite 2525  
Los Angeles, CA 90071  
Attention: Marina Meza

Ladies and Gentlemen:

At the request and on the instructions of our customer, Irvine Ranch Water District (“*IRWD*”), we hereby establish this Irrevocable Letter of Credit (the “*Letter of Credit*”) in the amount of \$39,193,263 (the “*Initial Stated Amount*”; and, as the same may from time to time be reduced and thereafter reinstated as hereinafter provided, the “*Stated Amount*”), consisting of (i) the amount of \$38,760,000.00 (as reduced and thereafter reinstated from time to time as hereinafter provided, the “*Principal Component*”), which may be drawn upon with respect to payment of the unpaid principal amount of, or portion of the purchase price corresponding to the principal of, the Bonds (as hereinafter defined), as certified to us, and (ii) the amount of \$433,263 (as reduced and thereafter reinstated from time to time as hereinafter provided, the “*Interest Component*”), which may be drawn upon with respect to the payment of up to 34 days' accrued interest on the Bonds or portion of the purchase price representing accrued interest on the Bonds, in each case assuming a maximum interest rate of 12% per annum and computed on the basis of the actual number of days elapsed over a year of 365 days (the “*Maximum Rate*”), as certified to us, in your favor for the benefit of the holders of the herein described Bonds, as Trustee under that certain Indenture of Trust, dated as of April 1, 2011 (the “*Indenture*”), by and between you, as Trustee, and IRWD, pursuant to which IRWD has issued its Bonds of Irvine Ranch Water District, Refunding Series 2011A-1, currently outstanding in the aggregate principal amount of \$38,760,000 (the “*Bonds*”). This Letter of Credit is effective immediately and expires on the expiration date described below.

Subject to the other provisions of this Letter of Credit, you or your transferee may obtain the funds available under this Letter of Credit by presentment to us of your sight draft or drafts drawn on Bank of America, N.A., Scranton, Pennsylvania. Each draft presented to us must be accompanied by your certification substantially in the form of one or more of the Annexes described below, as may be applicable to the type of drawing you are making (each such demand and presentation, a “*Drawing*”). You must comply with all of the instructions in brackets in preparing each such certification.



1. *Annex A (Periodic Interest Demand With Reinstatement Request)*. If you are demanding funds with respect to a scheduled interest payment on the Bonds in accordance with the Indenture, and such amount is to be reinstated immediately following the Drawing, your draft or drafts should be accompanied by your Annex A certification (each, an “*Annex A Drawing*”).

2. *Annex B (Principal and Interest Demand Without Reinstatement Request)*. If you are demanding funds with respect to the payment of principal and interest on the Bonds in connection with a partial redemption of Bonds in accordance with the Indenture, which amount is not to be reinstated following the Drawing, your draft or drafts should be accompanied by your Annex B certification (each, an “*Annex B Drawing*”).

3. *Annex C (Purchase Demand)*. If you are demanding funds with respect to the payment of principal and interest on the Bonds in connection with the purchase of Bonds at the option of the holder thereof or a mandatory purchase of the Bonds as a result of a change in interest rate mode from a weekly rate to a daily rate or *vice versa*, in each case made in accordance with the Indenture, your draft or drafts should be accompanied by your Annex C certification (each, an “*Annex C Drawing*”).

4. *Annex D (Final Drawing — Redemption in Full; Acceleration; Maturity)*. If you are demanding funds with respect to the payment of principal and interest on the Bonds in connection with a redemption in full of Bonds, payment upon acceleration of the Bonds or payment at maturity of the Bonds, in each case in accordance with the Indenture, which amount is not to be reinstated following the Drawing, your draft should be accompanied by your Annex D certification (the “*Annex D Drawing*”). Only one draft accompanied by an Annex D Drawing may be presented for payment against this Letter of Credit; upon any such presentation, no further draft may be drawn and presented hereunder.

5. *Annex E (Final Drawing — Mandatory Purchase)*. If you are demanding funds with respect to the payment of principal and interest on the Bonds in connection with a mandatory purchase of all of the Bonds in accordance with the Indenture, other than a mandatory purchase as a result of a change in interest rate mode from a weekly rate to a daily rate or *vice versa*, your draft should be accompanied by your Annex E certification (the “*Annex E Drawing*”). Only one draft accompanied by an Annex E Drawing may be presented for payment against this Letter of Credit; upon any such presentation, no further draft may be drawn and presented hereunder.

Where we have received a draft as described above, your remittance instructions and an Annex A Drawing, Annex B Drawing or Annex D Drawing prior to 3:00 p.m., New York time (hereinafter referred to as “*Local Time*”), on a Business Day (as defined below), we will make payment by 12:00 noon, Local Time, on the following Business Day. If we receive such items after 3:00 p.m., Local Time, on a Business Day, we will make payment by 12:00 noon, Local Time, on the second Business Day thereafter. Where we have received a draft as described above, your remittance instructions and an Annex C Drawing or Annex E Drawing at or prior to 12:00 noon, Local Time, on a Business Day, we will make payment by 2:45 p.m., Local Time, on the same Business Day. If we receive such items after 12:00 noon, Local Time, we will make payment by 2:45 p.m., Local Time, on the following Business Day.

Demands for payment hereunder honored by the Bank shall not, in the aggregate, exceed the Stated Amount, as the Stated Amount may have been reinstated by us as provided herein. Subject to the preceding sentence, each Drawing honored by the Bank hereunder shall *pro tanto* reduce the Stated Amount hereof, it being understood that after the effectiveness of any such reduction you shall no longer have any right to make a Drawing hereunder in respect of the amount of such principal and/or interest on the Bonds causing or corresponding to such reduction.

Upon receipt by the Bank of a certificate substantially in the form of Annex H attached hereto from you, the principal and/or interest components of the Stated Amount shall be automatically reinstated in the amounts shown on such Annex H which have been paid to the Bank.

Drafts honored by us under this Letter of Credit shall not exceed the Stated Amount available to you under this Letter of Credit, as such amount may vary from time to time. Each draft honored by us will reduce the Stated Amount available under this Letter of Credit. However, in the case of a draft or drafts accompanied by your certification substantially in the form of Annex A and presented in full compliance with the terms and conditions of this Letter of Credit, the Stated Amount of this Letter of Credit shall, on the date each draft is honored by us, automatically be reinstated by us, by an amount equal to the amount of that Drawing; after such reinstatement, the Stated Amount of this Letter of Credit shall be the same as it was immediately prior to such Drawing.

Notwithstanding anything contained herein to the contrary, this Letter of Credit shall not apply to the payment of principal and interest payable with respect to any Bonds which are held in the name of IRWD or held by you for the account of IRWD or to the payment of principal with respect to any Bonds which are held in the name of the Bank as Bank-Owned Bonds.

Each draft presented for payment against this Letter of Credit and each accompanying certification must be dated the date of its presentation to us, and may be presented only on a Business Day. As used in this Letter of Credit, "Business Day" shall mean any day that is not a Saturday, Sunday, a day on which commercial banking institutions in the State of California or the State of New York are authorized or required to close, a day on which the presentation office of the Bank for drawings hereunder is authorized or required to close or a day on which the New York Stock Exchange is closed. Drafts must be marked conspicuously "Drawn under Bank of America, N.A. Irrevocable Direct Draw Letter of Credit No. [ ]". The certifications you are required to submit to us along with your draft or drafts should be prepared either (i) in the form of a letter on your letterhead signed by your officer or (ii) in the form of a facsimile copy of such a letter sent by one of your officers to facsimile number: (800)-755-8743.

Other than the foregoing provisions for communication by facsimile copy, communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at Bank of America, N.A., One Fleet Way, PA6-580-02-30, Scranton, Pennsylvania 18507, Attention: Standby Letter of Credit Department, specifically referring to the number and date of this Letter of Credit.

If a demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you prompt notice that the purported demand was not effected in accordance with this Letter of Credit, stating the reasons therefor and that we are holding any documents at your disposal or are returning them to you, as we may elect. Upon being notified that

the purported demand was not effected in conformity with this Letter of Credit, you may attempt to correct any such nonconforming demand for payment if, and to the extent that, you as Trustee are entitled (without regard to the provisions of this sentence) and able to do so.

By paying you an amount demanded in accordance with this Letter of Credit, we make no representation as to the correctness of the amount demanded or your calculations and representations on the certificates required of you by this Letter of Credit.

This Letter of Credit shall expire at 5:00 p.m. Local Time on the date which is the earliest of (i) February 8, 2027, (ii) when any draft accompanied by your certification substantially in the form of Annex D or Annex E to this Letter of Credit is honored and paid by us, (iii) the day on which this Letter of Credit is surrendered by the Trustee to the Bank, accompanied by a certificate substantially in the form of Annex G to this Letter of Credit or (iv) 15 days after you receive our Annex I certification or, if such day is not a Business Day, on the next succeeding Business Day. Any Annex I certification will be delivered to you at the address indicated above or, if we have received a Transfer Demand in the form of Annex F, to your transferee at the address set forth in such Annex F.

Payments of Drawings under this Letter of Credit shall be made from immediately available funds of the Bank and not from any moneys provided to the Bank by IRWD or any party related to IRWD.

This Letter of Credit shall be governed by and construed in accordance with the International Standby Practices 1998, International Chamber of Commerce Publication No. 590, and, to the extent not inconsistent therewith, the laws of the State of New York, including, without limitation, the Uniform Commercial Code as in effect in the State of New York, without regard to conflict of laws.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Bonds), except only the Annexes and drafts referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such Annexes and drafts.

*[Remainder of page intentionally left blank]*

This Letter of Credit is transferable any number of times, but only in the amount of the full unutilized balance hereof and not in part. Transfer may be made to any person or entity whom you or any transferee hereunder designate as a successor trustee under the Indenture. Transfer of the available Drawing under this Letter of Credit to such transferee shall be effected by the presentation to us of this Letter of Credit accompanied by a request designating your successor in the form of Annex F (Transfer Demand) attached hereto, with the signature of the appropriate officer signing on your behalf authenticated by another one of your officers. Upon presentation, we shall forthwith effect a transfer of this Letter of Credit to your designated transferee.

Very truly yours,

BANK OF AMERICA, N.A.

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

ANNEX A

(PERIODIC INTEREST DEMAND WITH REINSTATEMENT REQUEST)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]

Bank of America, N.A.  
One Fleet Way  
Mail Code PA6-580-02-30  
Scranton, Pennsylvania 18507  
Attn: Standby Letter of Credit Department

Re: Drawing for Interest Due on Scheduled Interest Payment Date

Ladies and Gentlemen:

We refer to your Letter of Credit No. [\_\_\_\_\_] (the "*Letter of Credit*"). Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A. (the "*Trustee*" or "*we*"), hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.
2. We hereby make demand under the Letter of Credit, by our presentment of the sight draft accompanying this Certificate, for payment of \$ \_\_\_\_\_ representing accrued and unpaid interest on the Bonds with respect to a scheduled interest payment.
3. The amount of the draft accompanying this Certificate does not exceed the amount available on the date hereof to be drawn under the Letter of Credit in respect of interest accrued on the Bonds. This amount was computed in accordance with the terms and conditions of the Bonds and the Indenture. The date specified in paragraph 4 below is not earlier than the date upon which the payment hereby demanded is required to be made under the terms and conditions of the Bonds and the Indenture.
4. We request that the payment hereby demanded be made no later than 12:00 noon, New York time ("*Local Time*"), on \_\_\_\_\_ [if this certificate and an accompanying draft are delivered at or before 12:00 noon, Local Time, then insert a date which is no earlier than the next Business Day; if this certificate and an accompanying draft are delivered after 3:00 p.m., Local Time, insert a date which is a Business Day and is no earlier than the second succeeding Business Day following the date those documents are delivered]. Unless otherwise agreed to in a writing signed by you and us, please [deposit/wire transfer] the amount hereby demanded to our account number [insert account number] with [insert name and address of banking institution to receive funds].
5. Please reinstate the Letter of Credit by the amount specified in paragraph 2 of this

Certificate in accordance with the terms set forth in the Letter of Credit; following such reinstatement, the Stated Amount shall be the same as it was immediately prior to this Drawing.

6. The amount demanded hereby is not being made in respect of any Bonds currently registered in the name of or held by the Trustee for the account of the Bank or held of record by IRWD or by the Trustee for the account of IRWD.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as Trustee as of  
The \_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Very truly yours,

THE BANK OF NEW YORK MELLON TRUST COMPANY,  
N.A., as Trustee

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

**ANNEX B**

**(PRINCIPAL AND INTEREST DEMAND WITHOUT REINSTATEMENT REQUEST)**

**BANK OF AMERICA, N.A.**

**IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]**

Bank of America, N.A.  
One Fleet Way  
Mail Code PA6-580-02-30  
Scranton, Pennsylvania 18507  
Attn: Standby Letter of Credit Department

Re: Drawing for Partial Redemption of the Bonds

Ladies and Gentlemen:

We refer to your Letter of Credit No. [\_\_\_\_\_] (the "*Letter of Credit*"). Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A. (the "*Trustee*" or "*we*"), hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.
2. We hereby make demand under the Letter of Credit for payment of \$ \_\_\_\_\_, of which \$ \_\_\_\_\_ shall be with respect to the principal of certain of the Bonds, and \$ \_\_\_\_\_ shall be with respect to interest to be paid on the Bonds, which total amount is due with respect to a partial redemption of Bonds pursuant to the Indenture.
3. The amount of the draft accompanying this Certificate does not exceed the amount available on the date hereof to be drawn under the Letter of Credit and was computed in accordance with the terms and conditions of the Bonds and the Indenture. The date specified in paragraph 4 below is not earlier than the date upon which the payment hereby demanded is required to be made under the terms and conditions of the Bonds and the Indenture.
4. We request that the payment hereby demanded be made no later than 12:00 noon, New York time ("*Local Time*"), on \_\_\_\_\_ [if this certificate and an accompanying draft are delivered at or before 3:00 p.m., Local Time, insert a date which is no earlier than the next Business Day; if this certificate and an accompanying draft are delivered after 3:00 p.m., Local Time, insert a date which is a Business Day and is no earlier than the second succeeding Business Day following the date those documents are delivered]. Unless otherwise agreed to in a writing signed by you and us, please [deposit/wire transfer] the amount hereby demanded to our account number \_\_\_\_\_ [insert account number] with \_\_\_\_\_ [insert name and address of banking institution to receive funds].

B-1

5. Upon application of the amount with respect to principal of the Bonds set forth in paragraph 2 of this Certificate, there shall be outstanding \$\_\_\_\_\_ principal amount of the Bonds and the Stated Amount of the Letter of Credit shall be \$\_\_\_\_\_.

6. The amount demanded hereby is not being made in respect of any Bonds currently registered in the name of or held by the Trustee for the account of the Bank or held of record by IRWD or by the Trustee for the account of IRWD.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as Trustee as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Very truly yours,

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

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



ANNEX C

(PURCHASE DEMAND)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]

Bank of America, N.A.  
One Fleet Way  
Mail Code PA6-580-02-30  
Scranton, Pennsylvania 18507  
Attn: Standby Letter of Credit Department

Re: Drawing for Purchase of Bonds

Ladies and Gentlemen:

We refer to your Letter of Credit No. [\_\_\_\_\_] (the "*Letter of Credit*"). Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A. (the "*Trustee*" or "*we*"), hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.
2. We hereby make demand for payment of \$ \_\_\_\_\_ of which \$ \_\_\_\_\_ shall be with respect to the principal of the Bonds, and \$ \_\_\_\_\_ shall be with respect to interest, if any, on the Bonds.
3. This Drawing is being made as a result of the purchase of Bonds at the option of the holder thereof or a mandatory purchase of the Bonds as a result of a change in interest rate mode from a weekly rate to a daily rate or *vice versa*.
4. The amount of the draft accompanying this Certificate does not exceed the amount available on the date hereof to be drawn under the Letter of Credit and was computed in accordance with the terms and conditions of the Bonds and the Indenture. The date specified in paragraph 5 below is not earlier than the date upon which the payment hereby demanded is required to be made under the terms and conditions of the Bonds and the Indenture.
5. The executed original of this certificate and the accompanying draft is presented to you at or prior to 12:00 noon, New York time ("*Local Time*") on a Business Day, and we request that the payment hereby demanded be made no later than 2:45 p.m., Local Time, on the same Business Day. If the executed original (or a facsimile copy thereof) of this certificate and the accompanying draft is presented to you after 12:00 noon, Local Time, on a Business Day, we request that the payment demanded be made no later than 2:45 p.m., Local Time, on the next succeeding Business Day. Unless otherwise agreed to in a writing signed by you and us, please [deposit/wire transfer] the amount hereby demanded to our account number \_\_\_\_\_ [insert account number] with \_\_\_\_\_ [insert name and address of banking institution to receive funds].
6. The amount demanded hereby is not being made in respect of any Bonds currently registered in the name of or held by the Trustee for the account of the Bank or held of record by

IRWD or by the Trustee for the account of IRWD. We hereby certify that Bonds in an aggregate outstanding principal amount equal to the amount demanded hereby with respect to principal shall be recorded as Bank-Owned Bonds on the bond register or, if the Bonds are held in a book-entry system, in accordance with the requirements of the Custodian Agreement dated as of February 1, 2024, among The Bank of New York Mellon Trust Company, N.A. (as custodian), IRWD and Bank of America, N.A.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as Trustee as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Very truly yours,

THE BANK OF NEW YORK MELLON TRUST COMPANY,  
N.A., as Trustee

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

## ANNEX D

(FINAL DRAWING - REDEMPTION IN FULL; ACCELERATION; MATURITY)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]

Bank of America, N.A.  
 One Fleet Way  
 Mail Code PA6-580-02-30  
 Scranton, Pennsylvania 18507  
 Attn: Standby Letter of Credit Department

Re: Final Drawing and Termination

Ladies and Gentlemen:

We refer to your Letter of Credit No. [\_\_\_\_\_] (the "*Letter of Credit*"). Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A. (the "*Trustee*" or "*we*"), hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.
2. We hereby make demand for payment of \$\_\_\_\_\_ of which \$\_\_\_\_\_ shall be with respect to the principal of the Bonds, and \$\_\_\_\_\_ shall be with respect to interest, if any, on the Bonds.
3. This Drawing is being made as a result of the maturity, acceleration or redemption of all outstanding Bonds in accordance with the terms and conditions of the Bonds and the Indenture.
4. The amount of the draft accompanying this Certificate does not exceed the amount available on the date hereof to be drawn under the Letter of Credit. This amount was computed in accordance with the terms and conditions of the Bonds and the Indenture. The date specified in paragraph 5 below is not earlier than the date upon which the payment hereby demanded is required to be made under the terms and conditions of the Bonds and the Indenture.
5. We request that the payment hereby demanded be made no later than 12:00 noon, New York time ("*Local Time*"), on \_\_\_\_\_ [if this certificate and an accompanying draft are delivered at or before 3:00 p.m., Local Time, insert a date which is no earlier than the next Business Day; if this certificate and an accompanying draft are delivered after 3:00 p.m., Local Time, insert a date which is a Business Day and is no earlier than the second succeeding Business Day following the date those documents are delivered]. Unless otherwise agreed to in a writing signed by you and us, please [deposit/wire transfer] the amount hereby demanded to our account number \_\_\_\_\_ [insert account number] with \_\_\_\_\_ [insert name and address of banking institution and address of banking institution to receive funds].

6. The amount demanded hereby is not being made in respect of any Bonds currently registered in the name of or held by the Trustee for the account of the Bank or held of record by IRWD or by the Trustee for the account of IRWD.

7. This is our final drawing under the Letter of Credit. Upon your payment of the amount demanded hereby, the Letter of Credit will terminate.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as Trustee as of  
The \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Very truly yours,

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

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

ANNEX E

(FINAL DRAWING - MANDATORY PURCHASE)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]

Bank of America, N.A.  
One Fleet Way  
Mail Code PA6-580-02-30  
Scranton, Pennsylvania 18507  
Attn: Standby Letter of Credit Department

Re: Final Drawing and Termination

Ladies and Gentlemen:

We refer to your Letter of Credit No. [\_\_\_\_\_] (the “*Letter of Credit*”). Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A. (the “*Trustee*” or “we”), hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.
2. We hereby make demand for payment of \$ \_\_\_\_\_ of which \$ \_\_\_\_\_ shall be with respect to the principal of the Bonds, and \$ \_\_\_\_\_ shall be with respect to interest, if any, on the Bonds.
3. This Drawing is being made as a result of the mandatory purchase of all outstanding Bonds in accordance with the terms and conditions of the Bonds and the Indenture, other than a mandatory purchase in connection with a change in interest rate mode of the Bonds from a weekly rate to a daily rate and *vice versa*.
4. The amount of the draft accompanying this Certificate does not exceed the amount available on the date hereof to be drawn under the Letter of Credit. This amount was computed in accordance with the terms and conditions of the Bonds and the Indenture. The date specified in paragraph 5 below is not earlier than the date upon which the payment hereby demanded is required to be made under the terms and conditions of the Bonds and the Indenture.
5. The executed original of this certificate and the accompanying draft is presented to you at or prior to 12:00 noon, New York time (“*Local Time*”) on a Business Day, and we request that the payment hereby demanded be made no later than 2:45 p.m., Local Time, on the same Business Day. If the executed original (or a facsimile copy thereof) of this certificate and the accompanying draft is presented to you after 12:00 noon, Local Time, on a Business Day, we request that the payment demanded be made no later than 2:45 p.m., Local Time, on the next succeeding Business Day. Unless otherwise agreed to in a writing signed by you and us, please [deposit/wire transfer]

the amount hereby demanded to our account number \_\_\_\_\_ [insert account number] with \_\_\_\_\_ [insert name and address of banking institution to receive funds].

6. The amount demanded hereby is not being made in respect of any Bonds currently registered in the name of or held by the Trustee for the account of the Bank or held of record by IRWD or by the Trustee for the account of IRWD. We hereby certify that Bonds in an aggregate outstanding principal amount equal to the amount demanded hereby with respect to principal shall be recorded as Bank-Owned Bonds on the bond register or, if the Bonds are held in a book-entry system, in accordance with the requirements of the Custodian Agreement dated as of February 1, 2024, among The Bank of New York Mellon Trust Company, N.A. (as custodian), IRWD and Bank of America, N.A.

7. This is our final drawing under the Letter of Credit. Upon your payment of the amount demanded hereby, the Letter of Credit will terminate.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as Trustee as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Very truly yours,

THE BANK OF NEW YORK MELLON TRUST COMPANY,  
N.A., as Trustee

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

ANNEX F

(TRANSFER DEMAND)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [ ]

Bank of America, N.A.  
One Fleet Way  
Mail Code PA6-580-02-30  
Scranton, Pennsylvania 18507  
Attn: Standby Letter of Credit Department

Re: Instruction to Transfer Letter of Credit No. [ ]

Ladies and Gentlemen:

For value received, the undersigned beneficiary (the “*Transferor*”) hereby irrevocably transfers to:

(Name of Transferee and Address)

(the “*Transferee*”) all rights of the Transferor with respect to the above-referenced Letter of Credit, including the right to draw under said Letter of Credit in the amount of the full unutilized balance thereof. Said Transferee has succeeded the Transferor as Trustee under that certain Indenture of Trust dated as of February 1, 2024 by and between Irvine Ranch Water District (“*IRWD*”) and The Bank of New York Mellon Trust Company, N.A., as Trustee (the “*Indenture*”) with respect to the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1 (the “*Bonds*”), issued by IRWD.

By virtue of this transfer, the Transferee shall have the sole rights as beneficiary of said Letter of Credit, including sole rights relating to any past or future amendments thereof, whether increases or extensions or otherwise. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the Transferor.

By its signature below, the Transferee acknowledges that it has duly succeeded the Transferor as Trustee under the Indenture, and agrees to be bound by the terms of the Indenture as if it were the original Trustee thereunder.

*[Remainder of page intentionally left blank.]*

The Letter of Credit is returned herewith, and we ask you to endorse the transfer on the reverse thereof and to forward it directly to the Transferee with your customary notice of transfer.

Very truly yours,

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

By: \_\_\_\_\_  
[Insert name and title of authorized officer]

SIGNATURE OF THE ABOVE OFFICER,  
DULY AUTHORIZED TO ACT ON  
BEHALF THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A.,  
AUTHENTICATED BY:

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

Acknowledged by  
[insert name of Transferee]  
as Transferee and successor Trustee

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

F-2



ANNEX G

(SURRENDER CERTIFICATE)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]

Bank of America, N.A.  
One Fleet Way  
Mail Code PA6-580-02-30  
Scranton, Pennsylvania 18507  
Attn: Standby Letter of Credit Department

Ladies and Gentlemen:

We refer to your Letter of Credit No. [\_\_\_\_\_] (the “*Letter of Credit*”). Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A. (the “*Trustee*” or “*we*”), hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.
2. We hereby surrender the attached Letter of Credit to you in accordance with the terms of the Indenture.
3. The Letter of Credit is hereby terminated in accordance with its terms.
4. No payment is demanded of you in connection with this surrender of the Letter of Credit.

*[Remainder of page intentionally left blank.]*

IN WITNESS WHEREOF, we have executed and delivered this certificate as Trustee as of  
the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Very truly yours,

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

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

ANNEX H

(TRUSTEE CERTIFICATE)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]

Bank of America, N.A.  
One Fleet Way  
Mail Code PA6-580-02-30  
Scranton, Pennsylvania 18507  
Attn: Standby Letter of Credit Department

Re: Irrevocable Letter of Credit No. [\_\_\_\_\_]

Ladies and Gentlemen:

The undersigned, a duly authorized officer of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (the “Trustee”), hereby notifies Bank of America, N.A. (the “Bank”), with reference to Letter of Credit No. [\_\_\_\_\_]  
(the “Letter of Credit”; terms defined therein and not otherwise defined herein shall have the meanings set forth in the Letter of Credit) issued by the Bank in favor of the Trustee as follows:

1. \_\_\_\_\_ is the Remarketing Agent under the Indenture for the holders of the Bonds.
2. The Trustee has been advised by IRWD or the Remarketing Agent that the amount of \$ \_\_\_\_\_ paid to the Bank today by IRWD or the Remarketing Agent on behalf of IRWD is a payment made to reimburse the Bank, pursuant to the Reimbursement Agreement dated as of February 1, 2024 (the “Reimbursement Agreement”), by and between IRWD and the Bank, for amounts drawn under the Letter of Credit pursuant to an Annex C Drawing.
3. Of the amount referred to in paragraph 2, \$ \_\_\_\_\_ represents the aggregate principal amount of Bank-Owned Bonds resold or to be resold on behalf of the Borrower.
4. Of the amount referred to in paragraph 2, \$ \_\_\_\_\_ represents accrued and unpaid interest on such Bank-Owned Bonds.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of this  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

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

H-2

ANNEX I

(NOTICE OF EVENT OF DEFAULT UNDER REIMBURSEMENT AGREEMENT)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]

To: Beneficiary under our Letter of Credit No. [\_\_\_\_\_] (the “*Letter of Credit*”)

Re: Event of Default under Reimbursement Agreement

Ladies and Gentlemen:

We hereby certify to you that:

1. An Event of Default has occurred under the Reimbursement Agreement dated as of February 1, 2024, between Bank of America, N.A. and Irvine Ranch Water District (the “*Reimbursement Agreement*”; terms defined therein and not otherwise defined herein shall have the meanings set forth in the Reimbursement Agreement).

2. Pursuant to the Indenture there is to be a mandatory purchase of the Bonds or an acceleration of the Bonds upon your receipt of notice from the Bank of the occurrence and continuance of an Event of Default under the Reimbursement Agreement and request for purchase of the Bonds or acceleration of the Bonds, as the case may be.

3. FOR MANDATORY PURCHASE INCLUDE THE FOLLOWING STATEMENT: [The Bank hereby requests you to give notice to all Bond holders of the mandatory purchase of the Bonds immediately and, in connection therewith, to draw on the Letter of Credit to pay for such mandatory purchase.] FOR ACCELERATION OF THE BONDS INCLUDE THE FOLLOWING STATEMENT: [The Bank hereby instructs you to accelerate all outstanding Bonds.]

4. FOR MANDATORY PURCHASE INCLUDE THE FOLLOWING STATEMENT: Unless it expires earlier in accordance with its terms, the Letter of Credit will expire on \_\_\_\_\_, \_\_\_\_\_ [insert date that is 15 days from beneficiary's receipt of this notice or, if such day is not a Business Day, the next succeeding Business Day.]

IN WITNESS WHEREOF, we have executed and delivered this certificate as of this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

Very truly yours,

BANK OF AMERICA, N.A.

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

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**REIMBURSEMENT AGREEMENT**

between

**IRVINE RANCH WATER DISTRICT**

and

**BANK OF AMERICA, N.A.**

Relating to the

\$25,840,000  
BONDS OF IRVINE RANCH WATER DISTRICT,  
REFUNDING SERIES 2011 A-2

Dated as of February 1, 2024

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## Table of Contents

	Page
ARTICLE I	DEFINITIONS AND ACCOUNTING TERMS ..... 1
Section 1.1.	Definitions..... 1
Section 1.2.	Accounting Terms..... 11
Section 1.3.	Construction..... 11
ARTICLE II	ISSUANCE OF LETTER OF CREDIT; AND PAYMENTS ..... 11
Section 2.1.	Issuance of Letter of Credit..... 11
Section 2.2.	Reimbursements of Drawings and Other Payments ..... 12
Section 2.3.	Certain Provisions with Respect to Liquidity Drawings..... 15
Section 2.4.	Liquidity Provider-Owned Bonds..... 17
Section 2.5.	Termination of Letter of Credit..... 17
Section 2.6.	Extension of Termination Date..... 17
Section 2.7.	Security and Pledge..... 17
Section 2.8.	Computation of Interest ..... 18
ARTICLE III	LIQUIDITY PROVIDER-OWNED BONDS; LETTER OF CREDIT PAYMENTS ..... 18
Section 3.1.	Remarketing of Bonds Registered in the Name of the Bank ..... 18
Section 3.2.	Payment of Drawings on Letter of Credit..... 18
Section 3.3.	Payment in Respect of Liquidity Provider-Owned Bonds..... 18
ARTICLE IV	REPRESENTATIONS AND WARRANTIES..... 18
Section 4.1.	Existence ..... 18
Section 4.2.	Power and Authorization ..... 19
Section 4.3.	No Legal Bar..... 19
Section 4.4.	Compliance With Laws..... 19
Section 4.5.	Consents..... 19
Section 4.6.	Litigation..... 19
Section 4.7.	Enforceability..... 20
Section 4.8.	Changes in Law..... 20
Section 4.9.	Financial Statements ..... 20
Section 4.10.	Disclosure of Information ..... 20
Section 4.11.	IRS Listing..... 20
Section 4.12.	Tax-Exempt Status..... 20
Section 4.13.	Financing Documents ..... 20
Section 4.14.	Regulations U and X..... 21
Section 4.15.	Default, Etc ..... 21
Section 4.16.	Pledge of Trust Estate ..... 21
Section 4.17.	Sovereign Immunity..... 21
Section 4.18.	No Limitation on Interest Rate ..... 21
Section 4.19.	Security ..... 21
Section 4.20.	Environmental Matters..... 21



Table of Contents  
(continued)

	Page
Section 4.21. Solvency.....	21
Section 4.22. Sanctions.....	22
ARTICLE V COVENANTS .....	22
Section 5.1. Affirmative Covenants of IRWD.....	22
Section 5.2. Negative Covenants of IRWD .....	26
ARTICLE VI CONDITIONS PRECEDENT .....	30
Section 6.1. Conditions to Issuance and Delivery of Letter of Credit .....	30
Section 6.2. Conditions Precedent to Liquidity Drawings and Term Loans .....	32
ARTICLE VII EVENTS OF DEFAULT .....	32
Section 7.1. Events of Default .....	32
Section 7.2. Remedies.....	34
Section 7.3. No Waiver of Remedies.....	35
Section 7.4. Remedies Not Exclusive .....	35
ARTICLE VIII MISCELLANEOUS .....	35
Section 8.1. No Waiver; Modifications in Writing.....	35
Section 8.2. Further Assurances.....	36
Section 8.3. Notices, Etc .....	36
Section 8.4. Costs, Expenses and Taxes .....	37
Section 8.5. Assignments, Participations, etc .....	37
Section 8.6. Execution in Counterparts.....	38
Section 8.7. Entire Agreement.....	39
Section 8.8. Binding Effect; Assignment.....	39
Section 8.9. Governing Law; Venue.....	39
Section 8.10. WAIVER OF JURY TRIAL.....	39
Section 8.11. Severability of Provision.....	40
Section 8.12. Headings .....	40
Section 8.13. Right of Setoff.....	40
Section 8.14. Actions Relating to the Financing Documents; Indemnity.....	41
Section 8.15. Notice to Trustee.....	43
Section 8.16. USA Patriot Act .....	43
Section 8.17. No Advisory or Fiduciary Relationship.....	43
Section 8.18. US QFC Stay Rules .....	43
APPENDIX A LETTER OF CREDIT	
APPENDIX B NO EVENT OF DEFAULT CERTIFICATE	
APPENDIX C CUSTODIAN AGREEMENT	

**THIS REIMBURSEMENT AGREEMENT** dated as of February 1, 2024 (as the same be amended, supplemented or modified from time to time, this “Agreement”) between **IRVINE RANCH WATER DISTRICT**, a California water district (“IRWD”) and **BANK OF AMERICA, N.A.**, a national banking association (the “Bank”).

W I T N E S S E T H:

WHEREAS, IRWD issued its Bonds of Irvine Ranch Water District, Refunding Series 2011A-2 in the original principal amount of \$40,370,000 (the “Bonds”), constituting the consolidated several general obligations of Improvement District Nos. 105, 113, 213 and 250 (the “Applicable Improvement Districts”), pursuant to an Indenture of Trust dated as of April 1, 2011 (as the same may be amended, supplemented or modified from time to time, the “Indenture”), by and between IRWD and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”);

WHEREAS, IRWD has requested the Bank to issue a Letter of Credit (as hereinafter defined) for the payment by the Trustee, when and as due, of the principal and purchase price of and interest on the Bonds; and

WHEREAS, the Bank is willing to issue the Letter of Credit upon the terms and conditions provided herein;

NOW, THEREFORE, in order to provide for and to evidence the obligation of IRWD to reimburse any drawings under the Letter of Credit, and in consideration of the promises and of the commitments made hereunder and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

**ARTICLE I**

**DEFINITIONS AND ACCOUNTING TERMS**

**Section 1.1. Definitions.** Unless otherwise defined herein or the context otherwise requires, capitalized terms used herein shall have the meanings set forth in Section 1.01 of the Indenture. In addition, the following terms as used in this Agreement shall have the following meanings, unless the context otherwise requires. These definitions shall be equally applicable to both the singular and the plural forms of the terms so defined.

“*Act*” has the meaning set forth in the Indenture.

“*Affiliate*” means, as to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to be “controlled by” any other Person if such other Person possesses, directly or indirectly, power (a) to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing general partners; or (b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

“*Agreement*” has the meaning set forth in the introductory paragraph hereof.

“*Aggregate Debt Service*” means, for any period, the Debt Service on all outstanding Parity Obligations during such period.

“*Alternate Letter of Credit*” has the meaning set forth in the Indenture.

“*Amortization End Date*” has the meaning set forth in Section 2.3(b) hereof.

“*Amortization Period*” has the meaning set forth in Section 2.3(b) hereof.

“*Applicable Fiscal Year*” means, with respect to the satisfaction of the requirements of Section 5.2(k) with respect to additional Parity Obligations, that Fiscal Year as to which the audited financial statements of IRWD are available and which immediately precedes that Fiscal Year selected by IRWD in which either the additional Parity Obligations are issued or the Board of Directors of IRWD adopts the resolution authorizing the issuance of such Parity Obligations.

“*Applicable Improvement Districts*” has the meaning set forth in the recitals hereof.

“*Assessment Proceeds*” means, with respect to any Improvement District: (i) ad valorem assessments on taxable land in such Improvement District levied pursuant to the Act; (ii) In Lieu Charges fixed and collected by IRWD within such Improvement District; and (iii) proceeds from the sale of property in such Improvement District for the enforcement of delinquent assessments pursuant to the Act.

“*Assignee*” has the meaning set forth in Section 8.5(a) hereof.

“*Bank*” has the meaning set forth in the introductory paragraph hereof.

“*Bank Obligations*” means all obligations of IRWD to the Bank under the Fee Letter, any and all obligations of IRWD to reimburse the Bank for any drawings under the Letter of Credit, and all other obligations of IRWD to the Bank arising under or in relation to this Agreement and/or the Custodian Agreement.

“*Bank Rate*” means, for each day of determination with respect to any Liquidity Advance or Term Loan, a rate per annum equal to the greater of (i) the Bond Rate and (ii) (A) the Base Rate, for the period from and including the Purchase Date of the related Liquidity Provider-Owned Bond to and including the earlier of (x) the Termination Date and (y) the 90<sup>th</sup> day following such Purchase Date, and (B) the Base Rate plus one percent (1%), for the period from and including the earlier of (x) the Termination Date and (y) the 91<sup>st</sup> day following such Purchase Date; provided that from and after the occurrence of an Event of Default, the Bank Rate shall mean the Default Rate.

“*Bank-Related Persons*” means the Bank, its Affiliates and the officers, directors, employees, agents and attorneys-in-fact of the Bank and Affiliates.

“*Base Rate*” means, for each day of determination, a rate of interest per annum equal to the highest of (i) the Prime Rate plus one percent (1%); (ii) the Federal Funds Rate plus two percent (2%); and (iii) seven percent (7%).

“*BHC Act Affiliate*” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“*Bond Counsel*” Orrick, Herrington & Sutcliffe LLP, or another nationally recognized bond counsel selected by IRWD.

“*Bond Rate*” means, for each day of determination, the rate per annum borne by Bonds other than Liquidity Provider-Owned Bonds on such day.

“*Bonds*” has the meaning set forth in the recitals hereof.

“*Change of Law*” means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation, statute, treaty, policy, guideline or directive by any Governmental Authority, (b) any change in any law, rule, regulation, statute, treaty, policy, guideline or directive or in the application, interpretation, promulgation, implementation, administration or enforcement thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“*Covered Entity*” means any of the following:

(a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Credit Support Agreement*” means, (i) with respect to any Credit Support Instrument, other than a Revenue Enhancement Agreement, the agreement or agreements (which may be the Credit Support Instrument itself) between IRWD and the obligor under such Credit Support Instrument, as originally executed or as it may from time to time be replaced, supplemented or amended, providing for the reimbursement of payments under such Credit Support Instrument, and the interest thereon, and includes any subsequent agreement pursuant to which a substitute Credit Support Instrument is provided, together with any related pledge agreement, security agreement or other security document and (ii) with respect to any Revenue Enhancement Agreement, the Revenue Enhancement Agreement itself, together with any related pledge agreement, security agreement or other security document.

“*Credit Support Instrument*” means any of: (i) a policy of insurance, a letter of credit, a line of credit, a standby purchase agreement, revolving credit agreement or other credit arrangement providing credit or liquidity support with respect to the payment of interest, principal or purchase price of any Parity Obligations; (ii) a Prior Reimbursement Agreement; or (iii) a policy of insurance, a letter of credit, a line of credit, a standby bond purchase agreement or other credit arrangement, including a Revenue Enhancement Agreement, providing credit or liquidity support with respect to the payment of interest, principal or purchase price of any General Obligations Bonds.

“*Custodian Agreement*” means the Custodian Agreement dated as of February 1, 2024, among the Bank, IRWD and The Bank of New York Mellon Trust Company, in its capacity as custodian, the form of which is attached hereto as Appendix C.

“*Debt*” means, for any Person (without duplication), (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (d) all capital leases of such Person, (e) all obligations of such Person to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities (or property), (f) all obligations of such Person to reimburse any bank or other Person in respect of amounts paid or advanced under the letter of credit or other instrument, (g) all Debt of others secured by a lien on any asset of such Person, including any guaranties, whether or not such Debt is assumed by such Person, (h) all Debt of others guaranteed directly or indirectly by such Person or as to which such Person has an obligation substantially the economic equivalent of a guaranty and (i) obligations in respect of interest rate protection programs.

“*Debt Service*” means, with respect to Parity Obligations and for any Fiscal Year, the sum of: (i) the interest on such Parity Obligations payable during such Fiscal Year (except to the extent that such interest is capitalized); (ii) the principal of such Parity Obligations maturing (including by declared acceleration of maturity) during such Fiscal Year; and (iii) the principal of and premium, if any, of such Parity Obligations coming due during such Fiscal Year by virtue of the mandatory redemption or prepayment of such Parity Obligations whether from mandatory sinking fund account payments or otherwise; but minus the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for such Parity Obligations; provided that, as to any such Parity Obligations (other than Credit Support Instruments) bearing or comprising interest at other than a fixed rate, for purposes of calculating Debt Service on such Parity Obligations, such Parity Obligations shall be assumed to bear interest at a fixed rate equal to the SIFMA Index as of any date selected by IRWD which is within 30 days of the date of calculation; and provided further that, as to any such Parity Obligation relating to an advance under a Credit Support Instrument and bearing or comprising interest at other than a fixed rate, for purposes of calculating Debt Service on such Parity Obligation, such Parity Obligation shall be assumed to bear interest at a fixed rate equal to the rate applicable to such advance as of the date of calculation; and provided further that if any such series or issue of Parity Obligations has twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one Fiscal Year, Debt Service on such Parity Obligations shall be determined for the Fiscal Year of determination as if the principal of and interest on such series or issue of Parity Obligations were being paid from the date of incurrence thereof in substantially equal annual amounts over a

period of twenty-five (25) years from the date of calculation; and provided further that, as to any such Parity Obligations or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Parity Obligations or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and provided further that if interest on such Parity Obligations is reasonably anticipated to be reimbursed to IRWD by the United States of America pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009), or any future similar program, then interest payments with respect to such Parity Obligations shall be excluded by the amount of such interest reasonably anticipated to be paid or reimbursed by the United States of America; and provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Parity Obligations for which such debt service reserve fund was established and in each preceding year until such amount is exhausted; and provided further that if principal and interest on such Parity Obligations is secured by a Revenue Enhancement Agreement, then the principal and interest payments with respect to such Parity Obligations shall be excluded by the amount of such principal and interest reasonably anticipated to be paid from (i) ad valorem assessments on taxable land levied by IRWD pursuant to the Act with respect to such Parity Obligations; (ii) water and sewer charges which in the discretion of the Board of Directors of IRWD are fixed and collected pursuant to the Act in lieu of ad valorem assessments with respect to such Parity Obligations; and (iii) proceeds from the sale of property pursuant to the Act for the enforcement of delinquent assessments with respect to such Parity Obligations, in each case pursuant to such Revenue Enhancement Agreement.

“*Default*” shall mean an event, act or occurrence which, with the giving of notice or the lapse of time (or both), would become an Event of Default.

“*Default Rate*” shall have the meaning set forth in Section 2.2(d) hereof.

“*Default Right*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“*Designated Jurisdiction*” shall mean any country or territory to the extent that such country or territory itself is the subject of any Sanction.

“*Effective Date*” shall mean February 8, 2024, subject to the satisfaction or waiver by the Bank of the conditions precedent set forth in Article VI hereof.

“*Event of Default*” has the meaning set forth in Section 7.1 hereof.

“*Excess Interest*” has the meaning set for in Section 2.2(h) hereof.

“*Favorable Opinion of Bond Counsel*” has the meaning set forth in the Indenture.

“*Federal Funds Rate*” shall mean, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (i) if such day is not a Business Day, the Federal Funds

Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Bank on such day on such transactions as determined by the Bank. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on IRWD absent manifest error.

“*Fee Letter*” shall mean that certain Fee Letter dated the Effective Date, from the Bank to IRWD regarding fees and expenses in respect of the Financing Documents, as amended, restated, supplemented or otherwise modified from time to time.

“*Financing Documents*” shall mean this Agreement, the Fee Letter, the Letter of Credit, the Bonds, the Indenture, the Remarketing Agreement and the Custodian Agreement.

“*Fiscal Year*” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the Board of Directors of IRWD as the Fiscal Year of IRWD.

“*Fitch*” means Fitch Ratings, or any successor rating agency.

“*General Obligations*” shall mean obligations for which IRWD is obligated pursuant to law and the Indenture to levy ad valorem assessments on taxable land in the Improvement Districts for which such obligations are issued in an amount sufficient to pay such obligations and the interest thereon when due.

“*Generally Accepted Accounting Principles*” means accounting principles generally accepted in the United States and applied on a consistent basis set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants applicable to a government-owned utility applying all statements and interpretations issued by the Governmental Accounting Standards Board and statements and pronouncements of the Financial Accounting Standards Board which are not in conflict with the statements and interpretations issued by the Governmental Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, that are applicable to the circumstances as of the date of determination.

“*Government Contracts*” means, collectively: (i) Agreement No. 7-805-550-0, the Loan Contract, dated February 1, 1988, between the State Water Resources Control Board and IRWD under the Water Reclamation Loan Program, Clean Water Bond Act of 1984, as amended and supplemented; (ii) Loan Contract No. 0-804-550-0, Water Reclamation Loan Program, Clean Water Bond Act of 1984, Loan Contract, dated June 1, 1990, between the State Water Resources Control Board and IRWD, as amended and supplemented and (iii) the 1996 Amended and Restated Allen-McColloch Pipeline Sublease, dated as of March 1, 1996, by and between the Municipal Water District of Orange County and the Los Alisos Water District (with respect to whose rights and obligations IRWD is the legal successor).

“*Governmental Authority*” means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi—

governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau, central bank or comparable authority.

*“Improvement Districts”* shall mean all improvement districts which are part of IRWD.

*“Included Amount”* for an Applicable Improvement District means the principal amount of outstanding Bonds allocable to such Improvement District.

*“Indenture”* has the meaning set forth in the recitals hereof.

*“Independent Certified Public Accountant”* shall mean any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State, appointed and paid by IRWD, and who, or each of whom: (1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of IRWD; (2) does not have a substantial financial interest, direct or indirect, in the operations of IRWD; and (3) is not connected with IRWD as a director, officer or employee of IRWD, but who may be regularly retained to audit the accounting records of and make reports thereon to IRWD.

*“Independent Financial Consultant”* shall mean a financial consultant or firm of such consultants appointed by IRWD, and who, or each of whom: (1) is in fact independent and not under domination of IRWD (2) does not have any substantial interest, direct or indirect, with IRWD; and (3) is not connected with IRWD as an officer or employee thereof, but who may be regularly retained to make reports thereto.

*“In Lieu Charges”* means water or sewer charges, as applicable, which in the discretion of the Board of Directors of IRWD are fixed and collected in an Improvement District in lieu of ad valorem assessments pursuant to the Act.

*“Installment Sale Agreement”* shall mean that certain Installment Sale Agreement, dated as of February 1, 2010, by and between IRWD and Irvine Ranch Water District Water Service Corporation, as amended or supplemented from time to time.

*“Investment Grade”* shall mean a rating of “Baa3” (or its equivalent) or better by Moody’s, “BBB-” (or its equivalent) or better by Fitch and “BBB-” (or its equivalent) or better by S&P.

*“Insolvency Proceeding”* means a receivership, insolvency, liquidation, resolution, or similar proceeding.

*“Investment Income”* shall mean (a) the net income and net earnings of IRWD from the investment of its money, including without limitation investments in securities and in real estate (whether by mortgage, ownership, through interests in partnerships or joint ventures, or otherwise); and (b) interest and other investment income received by IRWD from the Irvine Ranch Water District Joint Powers Authority.

*“IRWD”* has the meaning set forth in the introductory paragraph hereof.



“*Letter of Credit*” shall mean the irrevocable letter of credit dated the Effective Date, issued by the Bank in favor of the Trustee, as the same may be amended, modified or supplemented from time to time.

“*Liquidity Advance*” has the meaning set forth in Section 2.3(a) hereof.

“*Liquidity Drawing*” shall mean a drawing under the Letter of Credit resulting from the presentation of a certificate in the form of Annex C of the Letter of Credit.

“*Liquidity Facility*” shall mean a line of credit, standby bond purchase agreement or similar liquidity facility with respect to certificates issued by a commercial bank or other financial institution and, in the event of the delivery of an alternate Liquidity Facility, such alternate Liquidity Facility.

“*Liquidity Provider-Owned Bonds*” has the meaning set forth in the Indenture.

“*Material Adverse Effect*” means an effect, event, development, occurrence or change that has resulted in, or is reasonably expected to result in, an effect that is, materially adverse to the financial condition or operations of IRWD or IRWD’s ability to timely perform its obligations under the Financing Documents.

“*Maximum Rate*” has the meaning set forth in the Indenture.

“*Moody’s*” means Moody’s Investors Service, Inc., or any successor rating agency.

“*Net Revenues*” means, for any period of time, the Revenues for such period less the Operation and Maintenance Expenses for such period.

“*Obligations*” means (a) obligations of IRWD with respect to borrowed money, including bonds, notes or other evidences of indebtedness, installment purchase payments under any contract, and lease payments under any financing or capital lease (determined to be such in accordance with Generally Accepted Accounting Principles), which are payable from Net Revenues, (b) obligations to replenish any debt service reserve fund with respect to obligations described in (a) above, (c) obligations secured by or payable from any of obligations described in (a) above, and (d) Credit Support Agreements payable from Net Revenues.

“*OFAC*” shall mean the Office of Foreign Assets Control of the United States Department of the Treasury.

“*Operating Systems*” shall mean IRWD’s systems for providing water, sewer, reclaimed water and surface runoff services and any other utilities and services which IRWD may provide as the same now exist on the date hereof and as the same may be improved, replaced and expanded.

“*Operation and Maintenance Expenses*” shall mean the costs and expenses paid or incurred by IRWD for operating and maintaining the Operating Systems including, but not limited to: (a) all costs of water generated or purchased by IRWD for resale; (b) all costs and expenses of providing services and commodities through or with the Operating Systems; (c) all costs and expenses of management of the Operating Systems; (d) all costs and expenses of maintenance and

repair, and other expenses necessary or appropriate in the judgment of IRWD to maintain and preserve, any of the Operating Systems in good repair and working order; (e) all administrative and general expenses, such as salaries and wages of employees, overhead, taxes (if any), insurance premiums, retirement benefits and health care benefits; (f) all deposits to be made to a contingency reserve for Operation and Maintenance Expenses; (g) all deposits to be made to a rebate fund established with respect to Parity Obligations to provide for any rebate to the United States required to maintain the tax-exempt status of interest on such Parity Obligations; (h) any cost or expense paid or incurred by IRWD to comply with requirements of law applicable to any of the Operating Systems or the ownership or operation thereof or any activity in connection therewith; and (i) any other cost or expense which, in accordance with Generally Accepted Accounting Principles, is to be treated as an expense of operating or maintaining any of the Operating Systems; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, and amortization of intangibles.

“*Parity Obligation*” shall mean (i) the Reimbursement Agreement, dated as of May 7, 2015, between IRWD and U.S. Bank National Association, as amended to date, including as amended by the Second Amendment to Reimbursement Agreement, dated as of November 1, 2021, between IRWD and U.S. Bank National Association; (ii) the Reimbursement Agreement, dated as of April 1, 2011, between IRWD and Sumitomo Mitsui Banking Corporation, acting through its New York Branch, as amended to date, including as amended by Amendment No. 3 to Reimbursement Agreement, dated as of May 28, 2021, between IRWD and Sumitomo Mitsui Banking Corporation, acting through its New York Branch; (iii) the Amended and Restated Reimbursement Agreement, dated as of April 1, 2011, between IRWD and U.S. Bank National Association, as amended to date, including as amended by the Fourth Amendment to Amended and Restated Reimbursement Agreement, dated as of November 1, 2021, between IRWD and U.S. Bank National Association; (iv) the Amended and Restated Reimbursement Agreement, dated as of April 1, 2011, by and between IRWD and Bank of America, N.A., as amended to date, including as amended by the Fourth Amendment to Amended and Restated Reimbursement Agreement, dated as of April 21, 2022, between IRWD and Bank of America, N.A.; (v) IRWD’s Series 2010B Bonds currently outstanding in the aggregate principal amount of \$175,000,000; (vi) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1; (vii) the Installment Sale Agreement, securing IRWD’s Certificates of Participation Irvine Ranch Water District Series 2016 currently outstanding in the aggregate principal amount of \$105,710,000; (viii) the Bonds of Irvine Ranch Water District Series 2016 currently outstanding in the aggregate principal amount of \$98,980,000; and (ix) any other Obligations which are payable from Net Revenues on a parity with the Bonds and issued in accordance with Section 5.2(k) hereof.

“*Participant*” has the meaning set forth in Section 8.5(c) hereof.

“*Person*” shall mean an individual, a corporation, a partnership, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“*Prime Rate*” means the rate of interest announced by the Bank from time to time as its “prime commercial rate,” “prime rate,” “reference rate” or equivalent, as in effect on such day for United States dollar loans, with any change in the Prime Rate resulting from a change in said prime

commercial rate, prime rate, reference rate or equivalent to be effective as of the date of the relevant change in said rate.

“*Prior Installment Contract*” means the Agreement for Acquisition and Construction, dated as of November 1, 1990, by and among County Sanitation District No. 1 of Orange County, California, County Sanitation District No. 2 of Orange County, California, County Sanitation District No. 3 of Orange County, California, County Sanitation District No. 5 of Orange County, California, County Sanitation District No. 6 of Orange County, California, County Sanitation District No. 7 of Orange County, California, County Sanitation District No. 11 of Orange County, California, County Sanitation District No. 13 of Orange County, California, County Sanitation District No. 14 of Orange County, California, as amended and supplemented.

“*Prior Reimbursement Agreements*” means collectively: (i) 1993 the Reimbursement Agreement, dated as of May 7, 2015, between IRWD and U.S. Bank National Association, as amended to date, including as amended by the Second Amendment to Reimbursement Agreement, dated as of November 1, 2021, between IRWD and U.S. Bank National Association; (ii) 2008A the Reimbursement Agreement, dated as of April 1, 2011, between IRWD and Sumitomo Mitsui Banking Corporation, acting through its New York Branch, as amended to date, including as amended by Amendment No. (iii) 2009A the Amended and Restated Reimbursement Agreement, dated as of April 1, 2011, between IRWD and U.S. Bank National Association, as amended to date, including as amended by the Fourth Amendment to Amended and Restated Reimbursement Agreement, dated as of November 1, 2021, between IRWD and U.S. Bank National Association; and (iv) 2009B the Amended and Restated Reimbursement Agreement, dated as of April 1, 2011, by and between IRWD and Bank of America, N.A., as amended to date, including as amended by the Fourth Amendment to Amended and Restated Reimbursement Agreement, dated as of April 21, 2022, between IRWD and Bank of America, N.A.

“*Rating*” shall mean with respect to any Rating Agency the long-term unenhanced rating assigned by such Rating Agency to Parity Obligations.

“*Rating Agency*” means Moody’s, S&P or Fitch.

“*Refunding Test Period*” means, with respect to the issuance of additional Parity Obligations pursuant to Section 5.2(k) for refunding purposes, each Fiscal Year from and including the Fiscal Year in which such additional Parity Obligations are to be issued to and including the latest Fiscal Year in which Debt Service is payable on the Parity Obligations outstanding immediately prior to the issuance of such additional Parity Obligations.

“*Reimbursement Account*” means account no.: 4535-883980 maintained with Bank of America, New York ABA #026009593, attention: Scranton Standby regarding Letter of Credit No. [\_\_\_\_], reference: Irvine Ranch Water District, or such other account as the Bank may hereafter designate in writing as such to IRWD. Any Notice of a change in the Reimbursement Account shall become effective on the fifth day after the delivery of written notice thereof to IRWD.

“*Revenue Enhancement Agreement*” means an agreement between IRWD and the trustee for an issue of general obligation bonds issued by IRWD pursuant to the Act and payable from ad

valorem assessments, pursuant to which IRWD agrees to pay principal, redemption price, purchase price of and/or interest on such general obligation bonds from Net Revenues on the terms and conditions set forth in such agreement.

“*Revenues*” shall mean all water, sewer and reclaimed water income, rents, rates, fees, charges and other revenues of IRWD, including, without limiting the generality of the foregoing, the proceeds of any stand-by or natural treatment, connection and water availability charges; together with IRWD’s share of the Orange County, California one percent (1%) ad valorem property tax (to the extent not applied by IRWD to pay principal of and interest on Secured Bonds) and Investment Income; but excluding in all cases; (i) customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of IRWD, (ii) any proceeds of taxes or ad valorem assessments restricted by law to be used by IRWD to pay bonds issued by IRWD and (iii) water, sewer and reclaimed water rates and charges levied in lieu of ad valorem assessments pursuant to Sections 36425 and 35975 of the California Water District Law, constituting Division 13 of the Water Code of the State of California.

“*Sanctions*” shall mean any international economic sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty’s Treasury or other relevant sanctions authority.

“*SIFMA Index*” means, as of any date, the per annum rate published or reported by Municipal Market Data on its SIFMA Municipal Swap Index most recently available, or if the SIFMA Municipal Swap Index is no longer published or reported, the rate per annum published or reported on the S&P Weekly High Grade Index (formerly the J.J. Kenny Index), or if neither the SIFMA Municipal Swap Index nor the S&P Weekly High Grade Index is published, a per annum rate equal to 65% of the London Interbank Offered Rate for one-month deposits in U.S. Dollars.

“*S&P*” means Standard & Poor’s Global Ratings, a part of McGraw-Hill Financial, or any successor thereto.

“*Secured Bonds*” shall mean bonds of IRWD secured by a pledge of IRWD’s share of the Orange County one percent (1%) general ad valorem property tax pursuant to Resolution No. 1992-48, adopted by the Board of Directors of IRWD on November 23, 1992, or Resolution 2002-10, adopted by the Board of Directors of IRWD on April 8, 2002.

“*Semiannual Payment Date*” has the meaning set forth in Section 2.3(b) hereof.

“*Semiannual Principal Payment*” has the meaning set forth in Section 2.3(b) hereof.

“*Stated Amount*” has the meaning set forth in the Letter of Credit.

“*Subordinate Obligations*” means all Obligations other than Parity Obligations, including but not limited to amounts due under the Prior Installment Contract and the Government Contracts.

“*System*” means the entire water and sewer system of IRWD, together with all additions, betterments, extensions and improvements to that system or any part thereof.

“*Taxes*” has the meaning set forth in Section 2.2(i) hereof.

“*Term Loan*” has the meaning set forth in Section 2.3(b) hereof.

“*Termination Date*” means the date on which the Letter of Credit expires in accordance with its terms.

“*Test Period*” means, with respect to a calculation of Aggregate Debt Service in connection with the issuance of additional Parity Obligations pursuant to Section 5.2(k), the period from and including the Applicable Fiscal Year for the issuance of such additional Parity Obligations to and including the first complete Fiscal Year after the latest date of operation of any project being financed or refinanced with the proceeds of such additional Parity Obligations.

“*Trustee*” has the meaning set forth in the recitals hereof.

“*U.S. Special Resolution Regime*” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

**Section 1.2. Accounting Terms.** All accounting terms not specifically defined herein shall be construed in accordance with Generally Accepted Accounting Principles consistently applied, except as may be otherwise stated herein.

**Section 1.3. Construction.** The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (d) all references herein to Appendices, Sections and Schedules shall be construed to refer to Appendices, Sections and Schedules to, this Agreement.

## ARTICLE II

### ISSUANCE OF LETTER OF CREDIT AND PAYMENTS

**Section 2.1. Issuance of Letter of Credit.** The Bank hereby agrees, on the terms and subject to the conditions hereinafter set forth, to issue to the Trustee the Letter of Credit on the Effective Date in the Stated Amount. The Trustee is authorized to make drawings under the Letter of Credit in accordance with the terms thereof. IRWD hereby directs the Bank to make payments under the Letter of Credit in the manner therein provided. IRWD hereby irrevocably approves reductions and reinstatements of the Stated Amount as provided in the Letter of Credit.

## Section 2.2. Reimbursements of Drawings and Other Payments.

(a) **Reimbursements.**

(i) IRWD agrees to reimburse the Bank, at the times, in the manner and otherwise as provided in this Agreement for each payment made by the Bank under the Letter of Credit honoring any drawing made by the Trustee thereon.

(ii) IRWD agrees to reimburse the Bank for the full amount of any Liquidity Drawing (unless the conditions precedent contained in Section 6.2 hereof are satisfied on the date of payment by the Bank of such Liquidity Drawing) and all other drawings made under the Letter of Credit immediately upon payment by the Bank of each such drawing and on the date of each such payment. If IRWD does not make such reimbursement on such date, such reimbursement obligation shall bear interest at the Default Rate. The obligation of IRWD to reimburse any Liquidity Drawings (but only if the conditions precedent contained in Section 6.2 are satisfied on the date of payment by the Bank of such Liquidity Drawing) shall be evidenced by and subject to the terms and conditions set forth in Section 2.3 hereof. The Bank shall be entitled to all of the rights, benefits and protections of the Indenture with respect to each Bond registered in the name of the Bank pursuant to the Indenture.

(b) **Fees.** IRWD agrees to pay to the Bank the fees set forth in the Fee Letter at the times and in the amounts set forth therein. The terms of the Fee Letter are incorporated herein by reference as if fully set forth herein. Any reference herein or in any other document to fees and/or other amounts or obligations payable hereunder shall include, without limitation, all fees and other amounts or obligations payable pursuant to the Fee Letter.

(c) **Manner of Payments.** All payments to be made by or on behalf of IRWD or the Trustee to the Bank on account of amounts at any time owing hereunder or under the Fee Letter or in connection herewith or therewith shall be made, and shall not be considered made until received, in United States dollars in the Reimbursement Account in immediately available funds. IRWD or the Trustee shall make each payment hereunder and under the Fee Letter not later than 3:00 p.m. (Los Angeles time) on the day when due. Any payment received after 3:00 p.m. Los Angeles time shall be deemed made on the next succeeding Business Day. Whenever any payment to be made hereunder or under the Fee Letter shall be stated to be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be.

(d) **Default Rate.** If the amount of any Bank Obligation is not paid when due or if any Event of Default shall have occurred and be continuing, all Bank Obligations shall bear interest until paid in full at a rate per annum equal to the Base Rate for such day plus three percent (3%) (the "Default Rate") and such interest shall be payable upon demand of the Bank.

(e) ***Bank Obligations Unconditional.*** IRWD's obligation to reimburse the Bank for each payment made under the Letter of Credit honoring any drawing made by the Trustee thereon and all of its other Bank Obligations shall be primary, absolute, independent, unconditional and irrevocable under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which IRWD may have against the Bank, any Participant or against any beneficiary of the Letter of Credit (or any other Person for whom such beneficiary may be acting), or any other person, including, without limitation, any defense based on the failure of any drawing on the Letter of Credit by the Trustee to conform to the terms of the Letter of Credit or based on invalidity, inaccuracy, falsity, or lack of genuineness, whether by forgery, fraud or otherwise, of any document, demand, or statement presented under the Letter of Credit or any failure of IRWD to receive all or any part of the proceeds of the sale of any Bonds with respect to which such drawing on the Letter of Credit was made by the Trustee or any nonapplication or misapplication by the Trustee of the proceeds of such drawing, and irrespective of the legality, validity, regularity or enforceability of all or any of the Financing Documents, and notwithstanding any amendment or waiver of (other than an amendment or waiver signed by the Bank explicitly reciting the release or discharge of any such obligation), or any consent to departure from, all or any of the Financing Documents or any exchange, release, or nonperfection of any collateral securing the Bonds or the obligations of IRWD hereunder or under the Fee Letter or any expiration of the Letter of Credit pursuant hereto and any other circumstances or happening whatsoever, whether or not similar to any of the foregoing; provided, however, that nothing contained in this Section 2.2(e) shall abrogate or otherwise affect the rights of IRWD pursuant to Section 8.13 hereof.

(f) ***Waivers, Etc.*** To the full extent permitted by law: (i) IRWD hereby waives (a) presentment, demand, notice of demand, protest, notice of protest, notice of dishonor and notice of non-payment; (b) to the extent the Bank is not in default hereunder or under the Letter of Credit, the right, if any, to the benefit of, or to direct application of, any security hypothecated to the Bank until all obligations of IRWD to the Bank hereunder and under the Fee Letter, howsoever arising, shall have been paid; (c) the right to require the Bank to proceed against IRWD hereunder, or against any Person under any guaranty or similar arrangement, or under any agreement between the Bank and any Person or to pursue any other remedy in the Bank's power; (d) all statutes of limitation; and (e) any defense arising out of the election by the Bank to foreclose on any security by one or more nonjudicial or judicial sales; (ii) the Bank may exercise any other right or remedy, even though any such election operates to impair or extinguish IRWD's right to reimbursement from, or any other right or remedy it may have against, any person, or any security; and (iii) IRWD agrees that the Bank may proceed against IRWD or any Person directly and independently of any other, and that any forbearance, change of rate of interest, or acceptance, release or substitution of any security, guaranty, or loan or change of any term or condition thereunder or under the Letter of Credit or any Financing Document (other than by mutual agreement between IRWD and the Bank) shall not in any way affect the liability of IRWD hereunder or under the Fee Letter.

(g) ***Increased Costs and Reduced Return.***

(i) If the Bank or any Participant determines that any Change of Law affecting the Bank, the Bank's holding company, such Participant or such Participant's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the Bank's or such Participant's capital or liquidity or on the capital or liquidity of the Bank's or such Participant's holding company, if any, as a consequence of this Agreement, the Fee Letter or the Letter of Credit issued by the Bank, to a level below that which the Bank, the Bank's holding company, such Participant or such Participant's holding company could have achieved but for such Change of Law (taking into consideration the Bank's policies, the policies of the Bank's holding company, such Participant's policies or the policies of such Participant's holding company with respect to capital adequacy), then from time to time, within 30 days after demand by the Bank or such Participant made through the Bank, IRWD will pay to the Bank or such Participant such additional amount or amounts as will compensate the Bank, the Bank's holding company, such Participant or such Participant's holding company for any such reduction suffered.

(ii) If a Change of Law:

(A) shall impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Bank or such Participant; or

(B) subject the Bank or such Participant to any taxes on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

and the result of any of the foregoing shall be to increase the cost to the Bank or such Participant of participating in, issuing or maintaining the Letter of Credit, or to reduce the amount of any sum received or receivable by the Bank or such Participant hereunder (whether of principal, interest or any other amount) or under the Fee Letter then, within 30 days following the demand of the Bank, IRWD will pay to the Bank or such Participant such additional amount or amounts as will compensate the Bank for such additional costs incurred or reduction suffered; provided, however, that any amounts payable to any Participant pursuant to this Section shall not exceed the amount IRWD would have been required to pay pursuant to this Section without the participation of such Participant.

(iii) A certificate of the Bank or any Participant setting forth the amount or amounts necessary to compensate the Bank, its holding company, such Participant or its holding company, as the case may be, as specified in subsection (i) or (ii) of this Subsection (g) and delivered to IRWD (accompanied by a statement specifying the reasons therefor) shall be conclusive absent manifest error. In determining such amount, the Bank or such Participant may use any reasonable averaging and attribution methods.



(h) **Excess Interest.** If the rate of interest payable hereunder or under the Fee Letter shall exceed the Maximum Rate for any period for which interest is payable, then (i) interest at the Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) the Maximum Rate (the “Excess Interest”), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time IRWD shall pay to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder or under the Fee Letter, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder and under the Fee Letter until all deferred Excess Interest is fully paid to the Bank. Upon the termination of the Letter of Credit, in consideration for the limitation of the rate of interest otherwise payable hereunder and under the Fee Letter, IRWD shall pay to the Bank a fee equal to the amount of all unpaid deferred Excess Interest.

(i) **Net Payments.** To the extent permitted by law, any and all payments by IRWD hereunder and under the Fee Letter shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding taxes imposed on the overall net income of the Bank (and franchise taxes imposed in lieu of net income taxes) by the jurisdiction of the Bank’s applicable lending office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as “Taxes”). If IRWD shall be required by law to withhold or deduct any Taxes from or in respect of any sum payable hereunder or under the Fee Letter then, to the extent permitted by law, (A) the sum payable shall be increased as may be necessary so that after making all required withholdings or deductions (including those Taxes payable solely by reason of additional sums payable under this clause (i)) the Bank receives an amount equal to the sum it would have received had no such withholdings or deductions been made, (B) IRWD shall make such withholdings or deductions and (C) IRWD shall pay the full amount withheld or deducted to the relevant taxation authority or other authority in accordance with applicable law.

**Section 2.3. Certain Provisions with Respect to Liquidity Drawings.** Repayment of Liquidity Drawings shall be subject to all applicable provisions of the Indenture, this Agreement and to these provisions:

(a) If the conditions precedent contained in Section 6.2 hereof are satisfied at the time of payment by the Bank of a Liquidity Drawing, such Liquidity Drawing shall constitute an advance (herein, a “Liquidity Advance”) to IRWD. IRWD promises to pay to the Bank each Liquidity Advance on the earliest to occur of (i) the date on which Bonds purchased with funds disbursed under the Letter of Credit in connection with such Liquidity Drawing are redeemed or cancelled pursuant to the Indenture, (ii) the date on which the Bonds purchased with funds disbursed under the Letter of Credit are remarketed pursuant to the Indenture, (iii) the date on which the Letter of Credit is replaced by an Alternate Letter of Credit pursuant to the terms of the Indenture, (iv) the date sixty (60) days following the date on which such Liquidity Advance was made, (v) the Termination

Date and (vi) the final maturity date of the Bonds. IRWD also promises to pay to the Bank interest on the unpaid principal amount of each Liquidity Advance from the date such Liquidity Advance is made until it is paid in full at a rate per annum equal to the Bank Rate from time to time in effect, payable monthly in arrears on the first Business Day of each calendar month and on the date such Liquidity Advance is paid in full. Any Liquidity Advance not paid when due shall bear interest at the Default Rate.

(b) Notwithstanding anything to the contrary contained in Section 2.3(a) hereof, if IRWD does not reimburse the Bank for all or any portion of a Liquidity Advance and the conditions precedent contained in Section 6.2 hereof are satisfied on the earlier of (i) sixty (60) calendar days following the date the Bank made the respective Liquidity Advance and (ii) the Termination Date (the earlier of such dates to occur the “Term Loan Date”), the unpaid portion of such Liquidity Advance shall constitute a loan (each, a “Term Loan”) to IRWD. Each Term Loan shall be payable as to principal in installments (each, a “Semiannual Principal Payment”) on the first Business Day of each January and July (each, a “Semiannual Payment Date”) occurring in each year (commencing on the first such date to occur after the Term Loan Date), with the final installment due and payable on the earlier of (i) the fifth anniversary of the date such Term Loan is made and (ii) the final maturity date of the Bonds (such earlier date, the “Amortization End Date”; the period commencing on the date such installment is initially payable and ending on the Amortization End Date is herein referred to as the “Amortization Period”); provided, however, if the Amortization End Date occurs before the first Semiannual Payment Date, the Term Loan shall be due and payable in full on the Amortization End Date. Each Semiannual Principal Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate semiannual principal payments over the applicable Amortization Period, with the final Semiannual Principal Payment equal to the remaining outstanding principal amount of such Term Loan. IRWD shall pay to the Bank interest on the unpaid principal amount of each Term Loan from the Term Loan Date until such Term Loan is paid in full as provided herein, at a rate per annum equal to the Bank Rate from time to time in effect, payable monthly in arrears on the first Business Day of each calendar month and on the date such Term Loan is required to be paid in full. All Term Loans shall be prepaid in full, together with accrued and unpaid interest thereon, on the date on which the Letter of Credit is replaced by an Alternate Letter of Credit pursuant to the terms of the Indenture. A Term Loan shall be prepaid on the date on which Bonds purchased with funds disbursed under the Letter of Credit in connection with the Liquidity Drawing which became such Term Loan are redeemed, cancelled or remarketed pursuant to the Indenture in each case in the principal amount of the Bonds redeemed, cancelled or remarketed, together with accrued and unpaid interest thereon. Any Term Loan not paid when due shall bear interest at the Default Rate.

(c) Any Liquidity Advance or Term Loan created pursuant to subsection (a) or (b) above, respectively, may be prepaid in whole or in part at any time without premium or penalty on any Business Day.

(d) Upon the Bank’s receipt of any payment or prepayment of any Liquidity Advance or Term Loan, the amount of such Liquidity Advance or Term Loan, as applicable, shall be reduced by the principal amount of such payment or prepayment.

**Section 2.4. Liquidity Provider-Owned Bonds.** Bonds purchased by the Bank with the proceeds of a Liquidity Drawing shall constitute Liquidity Provider-Owned Bonds and shall, from the date of such purchase and while they are Liquidity Provider-Owned Bonds, bear interest at the Bank Rate and have other characteristics of Bonds set forth in the Indenture. Upon purchasing Liquidity Provider-Owned Bonds, the Bank shall be entitled to and, where necessary, shall be deemed assigned all rights and privileges accorded Owners, except to the extent such rights and privileges conflict with this Agreement, in which case the terms of this Agreement shall prevail and govern. Upon purchasing Liquidity Provider-Owned Bonds, the Bank shall be recognized by IRWD and the Trustee as the true and lawful owner of such Liquidity Provider-Owned Bonds, free from any claims, liens, security interests, equitable interests and other interests of IRWD, except as such interests might exist under the terms of the Liquidity Provider-Owned Bonds with respect to all Owners. Liquidity Provider-Owned Bonds purchased by the Bank shall be held by the Trustee, as custodian, pursuant to the terms of the Custodian Agreement.

**Section 2.5. Termination of Letter of Credit.** IRWD may, to the extent such termination is permitted by the Indenture, terminate the Letter of Credit upon: (i) thirty (30) days written notice to the Bank of such termination or such shorter notice as shall be acceptable to the Bank; (ii) the payment to the Bank with immediately available funds on or prior to the date of termination of all fees, expenses and other Bank Obligations accrued hereunder and under the Fee Letter to the date of termination, including all principal and accrued interest owing on any Liquidity Provider-Owned Bonds.

**Section 2.6. Extension of Termination Date.** If IRWD, at any time during the one hundred twenty (120) day period ended one hundred twenty (120) days prior to the then current Termination Date, submits to the Bank a written request for an extension of the Termination Date for a period as specified in such written request, the Bank will respond to such request within sixty (60) days after receipt of all information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision. In the event the Bank fails to definitively respond to such request within such period of time, the Bank shall be deemed to have refused to grant the extension requested. The Bank may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Bank shall have consented thereto in writing. The consent of the Bank, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance reasonably satisfactory to the Bank and consistent with this Agreement. If such an extension request is accepted by the Bank in its absolute discretion, the Bank shall deliver written notice to IRWD and the Trustee of such election and, if necessary, shall deliver an amendment to the Letter of Credit to such effect.

**Section 2.7. Security and Pledge.** To secure the payment of all Bank Obligations, IRWD hereby irrevocably grants to the Bank a first priority pledge of and charge and lien upon the Revenues, subject to the application of the Revenues as set forth in Section 4.02 of the Installment Sale Agreement. The provisions of Section 4.02 of the Installment Sale Agreement (as originally executed and delivered by the parties thereto) are hereby incorporated herein by reference. It is hereby acknowledged and agreed that the pledge of and lien upon the Revenues herein provided shall be for the equal and proportionate benefit and security of the Bank Obligations and the other Parity Obligations, all of which shall be of equal rank without preference, priority or distinction as

to lien or otherwise. The pledge and lien hereby granted shall remain effective for so long as any Bank Obligation remains unpaid.

**Section 2.8. Computation of Interest.** All computations of interest payable by IRWD under this Agreement shall be made on the basis of a 365/366 day year, as the case may be, and actual days elapsed.

## ARTICLE III

### LIQUIDITY PROVIDER-OWNED BONDS; LETTER OF CREDIT PAYMENTS

**Section 3.1. Remarketing of Bonds Registered in the Name of the Bank.** Liquidity Provider-Owned Bonds shall be subject to remarketing pursuant to the Indenture and the Remarketing Agreement. The Bank shall deliver (or cause to be delivered) any such Liquidity Provider-Owned Bonds, at the direction of the Trustee against receipt by the Bank, or the Trustee on behalf of the Bank, of the principal amount of, and any accrued and unpaid interest on such Liquidity Provider-Owned Bonds.

**Section 3.2. Payment of Drawings on Letter of Credit.** The Bank agrees that (a) drawings on the Letter of Credit will be paid from funds of the Bank and not directly or indirectly from funds or collateral on deposit with or for the account of, or pledged with or for the account of, the Bank by IRWD and (b) the Bank will seek reimbursement for each payment under the Letter of Credit only after such payment has been made. To the extent a drawing under the Letter of Credit is used to acquire bonds which are General Obligations of IRWD or to pay the interest thereon, the Bank shall be subrogated to the rights of the holders of such bonds as to which such payment is made.

**Section 3.3. Payment in Respect of Liquidity Provider-Owned Bonds.** Payments received by the Bank of principal of Liquidity Provider-Owned Bonds shall be credited to reduce the principal amount of the Liquidity Advance or Term Loan, as the case may be, resulting from the Liquidity Drawing made to purchase such Liquidity Provider-Owned Bonds. Payments received by the Bank of interest on Liquidity Provider-Owned Bonds shall be credited to reduce the interest owing on the Liquidity Advance or Term Loan, as the case may be, resulting from the Liquidity Drawing made to purchase such Liquidity Provider-Owned Bonds.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES

IRWD hereby makes to the Bank each of the representations and warranties made by IRWD in the Indenture and the Installment Sale Agreement, all of which are hereby incorporated by reference as though such representations and warranties (and defined terms needed to interpret such representations and warranties) were set forth in full herein. In addition, IRWD represents and warrants to the Bank as follows:

**Section 4.1. Existence.** IRWD is a California water district duly created and validly existing under the Constitution and the laws of the State of California.

**Section 4.2. Power and Authorization.** IRWD has all requisite power and authority to own its properties and to carry on its business as now conducted and as contemplated to be conducted under the Financing Documents to which IRWD is a party and the Installment Sale Agreement, and to execute, deliver and to perform its obligations under this Agreement and the other Financing Documents to which IRWD is a party, to perform its obligations under the Installment Sale Agreement and to issue and sell the Bonds in the manner and for the purposes contemplated by the Indenture and this Agreement, and the execution, delivery and performance of the Financing Documents to which IRWD is a party and the issuance and sale of the Bonds have been duly authorized by all necessary action.

**Section 4.3. No Legal Bar.** IRWD is not in violation of any of the provisions of the laws of the State of California which would affect its existence or its powers referred to in the preceding paragraph (b). The execution, delivery and performance by IRWD of this Agreement and of the other Financing Documents to which IRWD is a party, the performance by IRWD of the Installment Sale Agreement and the issuance and sale of the Bonds (i) will not violate any provision of any applicable law or regulation or of any order, writ, judgment or decree of any court, arbitrator or Governmental Authority, (ii) will not violate any provisions of any document constituting, regulating or otherwise affecting the operations or activities of IRWD, and (iii) will not violate any provision of, constitute a default under, or result in the creation or imposition of any lien, mortgage, pledge, charge, security interest or encumbrance of any kind on any of the assets of IRWD pursuant to the provisions of any mortgage, indenture, contract, agreement or other undertaking to which IRWD is a party or which purports to be binding upon IRWD or upon any of its assets foreclosure under which could have a Material Adverse Effect.

**Section 4.4. Compliance With Laws.** IRWD is in full compliance with IRWD's investment policy and all applicable laws, rules, regulations, governmental orders, judgments and decrees to which it is subject and as to which noncompliance would have a Material Adverse Effect. Any pension plan of IRWD providing benefits for IRWD employees (and former employees) is in compliance in all material respects with the requirements of all applicable laws and all contributions required to be made by IRWD on behalf of IRWD's employees (and former employees) in accordance therewith have been made. To the best knowledge of IRWD, no condition exists or event or transaction has occurred with respect to any such plan which could reasonably be expected to result in the incurrence by IRWD of any material liability, fine or penalty. IRWD has not received any written notice or information that any violation of any of the foregoing is being or may be alleged. IRWD has no obligation to provide benefits to any individuals other than employees and former employees of IRWD and directors, officers and employees of IRWD and Persons acquired by IRWD.

**Section 4.5. Consents.** IRWD has obtained all consents, permits, licenses and approvals of, and has made all registrations and declarations with any Governmental Authority or regulatory body required for the execution, delivery and performance by IRWD of this Agreement or the other Financing Documents to which IRWD is a party.

**Section 4.6. Litigation.** Except as disclosed to the Bank in writing prior to the Effective Date, there is no action, suit, inquiry or investigation or proceeding to which IRWD is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official which is pending or, to the best knowledge of IRWD, threatened in connection with any of the

transactions contemplated by this Agreement or the Fee Letter or against or affecting the assets of IRWD, nor, to the best knowledge of IRWD, is there any basis therefor, wherein an unfavorable decision, ruling or finding (i) would adversely affect the validity or enforceability of, or the authority or ability of IRWD to perform its obligations under, the Financing Documents to which IRWD is a party, (ii) would, in the reasonable opinion of IRWD, have a Material Adverse Effect, (iii) would adversely affect the validity of the Act or (iv) would adversely affect the exclusion of interest on the Bonds from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes.

**Section 4.7. Enforceability.** This Agreement, each other Financing Document to which IRWD is or is to be a party will, and the Installment Sale Agreement each constitute the legal, valid and binding obligation of IRWD, enforceable against IRWD in accordance with its terms (except as such enforceability may be limited by bankruptcy, moratorium or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

**Section 4.8. Changes in Law.** To the best knowledge of IRWD, there is not pending any change of law which, if enacted or adopted could reasonably be expected to have a Material Adverse Effect.

**Section 4.9. Financial Statements.** The balance sheets of IRWD, and the related statements of operations and fund balances and changes in financial position for the year ending June 30, 2023, accompanied by the auditors' report of June 30, 2023 (copies of which have been furnished to the Bank), present fairly the financial position of IRWD at the date thereof, and the results of its operations and the changes in its financial position for the year then ended, in conformity with generally accepting accounting principles applied on a consistent basis, and since June 30, 2023, there has been no material adverse change in such condition or operation, the business properties, or conditions (financial or otherwise) of IRWD, except as disclosed to the Bank in writing.

**Section 4.10. Disclosure of Information.** There are no facts that IRWD has failed to disclose to the Bank that, individually or in the aggregate, could have a Material Adverse Effect.

**Section 4.11. IRS Listing.** IRWD has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that IRWD is an issuer of obligations whose arbitrage certifications may not be relied upon.

**Section 4.12. Tax-Exempt Status.** IRWD has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Bonds from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes.

**Section 4.13. Financing Documents.** Each representation and warranty of IRWD contained in any Financing Document to which IRWD is a party and the Installment Sale Agreement is true and correct. No amendment, modification, termination or replacement of any such representations, warranties and definitions contained in any Financing Document to which

IRWD is a party or the Installment Sale Agreement shall be effective to amend, modify terminate or replace the representations, warranties, and definitions incorporated herein by this reference, without the prior written consent of the Bank.

**Section 4.14. Regulations U and X.** IRWD is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of any Bonds will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

**Section 4.15. Default, Etc.** IRWD is not in default in the performance, observance, or fulfillment of any of the obligations, covenants or conditions contained in any Financing Document, the Installment Sale Agreement or other resolution, agreement or instrument to which it is a party which would have a Material Adverse Effect.

**Section 4.16. Pledge of Trust Estate.** To secure the Bonds, IRWD has provided to the Trustee for the benefit of the holders of the Bonds the pledge of the Trust Estate set forth in the Indenture.

**Section 4.17. Sovereign Immunity.** IRWD has no right to immunity from set-off or legal proceedings, on the grounds of sovereign immunity or any other similar doctrine in respect of contractual obligations.

**Section 4.18. No Limitation on Interest Rate.** The obligations of IRWD hereunder and under the Fee Letter are not subject to any law, rule or regulation of the State of California prescribing a maximum rate of interest.

**Section 4.19. Security.** No filing, registration, recording or publication of this Agreement or the Fee Letter or any other instrument is required to establish the pledge provided for hereunder or to perfect, protect or maintain the lien created thereby on the Revenues to secure the Bank Obligations.

**Section 4.20. Environmental Matters.** IRWD has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, in each case which non-compliance or remedial action could have a Material Adverse Effect.

**Section 4.21. Solvency.** IRWD is able to pay its debts as they are scheduled to become due.

**Section 4.22. Sanctions.** IRWD represents that neither IRWD or, to the knowledge of IRWD, any director, officer, employee or agent of IRWD is (a) currently the subject of any Sanctions, (b) located, organized or residing in any Designated Jurisdiction, or (c) or has been (within the previous five (5) years) engaged in any transaction with any Person who is now or was then the subject of Sanctions or who is located, organized or residing in any Designated Jurisdiction.

## ARTICLE V

### COVENANTS

**Section 5.1. Affirmative Covenants of IRWD.** IRWD covenants and agrees that so long as any Bonds or any Bank Obligation shall remain unpaid or unperformed or the Bank shall have any liability under or in respect of the Letter of Credit:

(a) ***Compliance with this Agreement and the Other Financing Documents.***

IRWD will observe and perform each term, covenant, condition and agreement to be performed or observed under this Agreement, the other Financing Documents to which it is a party and the Installment Sale Agreement, and each term, covenant, condition and agreement (and defined terms needed to interpret such terms, covenants, conditions and agreements) in such Financing Documents and the Installment Sale Agreement to be observed or performed by IRWD are hereby incorporated by reference herein (for the purpose of this provision such Financing Documents and the Installment Sale Agreement shall be deemed to continue in full force and effect notwithstanding any earlier termination thereof so long as any obligation of IRWD under this Agreement or the Fee Letter shall be unpaid or unperformed or the Bank shall have any liability under or in respect of the Letter of Credit). No amendment to such terms, covenants, conditions and agreements or any defined terms referenced therein or release of IRWD with respect thereto made pursuant to any of the Financing Documents to which IRWD is a party or the Installment Sale Agreement, shall be effective to amend such terms, covenants, conditions and agreements and defined terms or release IRWD with respect thereto in each case as incorporated by reference herein without the prior written consent of the Bank. Notwithstanding any termination or expiration of any such Financing Document or the Installment Sale Agreement, IRWD shall, unless such Financing Document or the Installment Sale Agreement has terminated in accordance with its terms and has been replaced by a new financing document or installment sale agreement, continue to observe the covenants therein contained for the benefit of the Bank until the termination of this Agreement and the Fee Letter. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

(b) ***Laws, Permits and Obligations.*** IRWD will comply with all applicable laws, rules, regulations, orders and directions of any Governmental Authority noncompliance with which would have a Material Adverse Effect, provided that IRWD may in good faith contest such laws, rules, regulations, orders and directions and the applicability thereof to IRWD, provided that if noncompliance during such contest results in a material disruption in the operation of the System or a lien on the Revenues or the System, IRWD establishes and maintains reserves therefor to the extent necessary in the opinion of IRWD to avoid a Material Adverse Effect.

(c) ***Investments.*** IRWD shall comply with all statutes governing its investments and with the investment policy adopted by IRWD.



(d) ***Use of Proceeds.*** IRWD will use or cause to be used the proceeds of the sale of the Bonds in accordance with the provisions of the Indenture and this Agreement. IRWD covenants that it will not permit the proceeds of the Letter of Credit to be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order related thereto, including, without limitation, lending, contributing, providing or otherwise making available such proceeds to fund any activity or business in any Designated Jurisdiction or to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions, or in any other manner that will result in any violation by any Person (including the Bank) of Sanctions.

(e) ***Maintenance of Existence.*** IRWD will at all times preserve and maintain its existence, rights and privileges in the State of California, and qualify and remain qualified and authorized to do business in each other jurisdiction in which such qualification is necessary in view of its business or properties.

(f) ***Annual and Other Statements.*** IRWD shall furnish to the Bank (i) as soon as available but in any event within one hundred eighty (180) days following the end of each Fiscal Year, an audited balance sheet of IRWD as of the end of such Fiscal Year and the related audited statements of operations and fund balances and changes in financial position for the year then ended, prepared in accordance with Generally Accepted Accounting Principles consistently applied, in reasonable detail together with an unqualified report of a firm of Independent Certified Public Accountants selected by IRWD and satisfactory to the Bank; (ii) concurrent with the delivery of the financial statements referred to in subclause (i) above, a certificate in the form of Appendix B hereto from an authorized financial officer of IRWD stating that, to the best knowledge of such officer (after due inquiry), no Event of Default or Default had occurred and was continuing at the end of such Fiscal Year or on the date of such officer's certificate or, if an Event of Default or Default which was continuing at the end of such Fiscal Year or on the date of such certificate, indicating the nature of such Event of Default or Default and the action IRWD proposes to take with respect thereto; (iii) as soon as available but in any event within one hundred eighty (180) days following the end of each Fiscal Year, a copy of IRWD's annual operating budget for the then current Fiscal Year; (iv) as soon as available a copy of any report to IRWD of any auditors of IRWD; (v) to the extent permitted by law, as soon as available a copy as the Bank may request of any other periodic report of its activities or condition submitted to any governmental agency and any other audit report prepared with respect to its activities or condition for delivery to a third party; (vi) promptly such other reports or information of IRWD and/or the Applicable Improvement Districts as the Bank may request; and (vii) as soon as available, a copy of IRWD's then current investment policy.

(g) ***Books and Records; Visitation and Examination.*** IRWD shall keep proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of IRWD in accordance with Generally Accepted Accounting Principles consistently applied. Unless otherwise prohibited by law, IRWD will permit any person designated by the Bank to visit any of its offices to examine the books and financial records, and make copies thereof or extracts therefrom, and to discuss

its affairs, finances and accounts with its principal officers, all at such reasonable times and as often as the Bank may reasonably request, to the extent such information and material relate to the transactions contemplated by the Financing Documents.

(h) ***Litigation Notice.*** IRWD will, promptly after IRWD's obtaining knowledge thereof, notify the Bank in writing of any action, suit or proceeding at law or in equity by or before any governmental instrumentality or other agency which (i) has remained unsettled for a period of thirty (30) days from the commencement thereof and involves claims for damages or relief in an amount which could reasonably be expected to have a Material Adverse Effect or (ii) has resulted in a final judgment or judgments which could reasonably be expected to have a Material Adverse Effect.

(i) ***Defaults.*** IRWD will promptly (and in any event within five (5) Business Days) notify the Bank of any Event of Default of which IRWD has knowledge, setting forth the details of such Event of Default and any action which IRWD proposes to take with respect thereto or any event which, with the passage of time or the giving of notice or both, would become an Event of Default.

(j) ***Rates and Charges; Collections.*** To the fullest extent permitted by law, IRWD shall fix, prescribe and collect Revenues which, together with any ad valorem assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, will be at least sufficient to yield during each Fiscal Year Net Revenues which are at least equal to one hundred twenty-five percent (125%) of Aggregate Debt Service payable during such Fiscal Year. IRWD may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of this Section. To the extent necessary to provide Assessment Proceeds sufficient to pay when due, together with the other funds available for such payment, the principal of and interest on the Included Amount for each respective Improvement District, IRWD covenants and agrees to (a) fix and collect, or cause the fixing and collection of, ad valorem assessments on taxable land within the Applicable Improvement District, (b) pursue any remedy available to collect, or cause the collection of, delinquent ad valorem assessments and apply amounts realized from the sale of any property for the enforcement of delinquent ad valorem assessments to the payment of principal of and interest on the Included Amount of Bonds of the Applicable Improvement District, or (c) in its discretion, impose and collect, or cause the imposition and collection of In Lieu Charges for water or sewer service, as applicable, in the Applicable Improvement District in lieu of ad valorem assessments. IRWD may also, to the extent permitted by law, but shall not be obligated under this Agreement to, apply other funds of IRWD to the payment of principal of, premium, if any, and interest on, the Bonds.

(k) ***Maintenance of System; Insurance.*** IRWD will maintain and preserve the Operating Systems in good repair and working order at all times and will operate the Operating Systems in an efficient and economical manner and will pay all maintenance and operation costs, as they become due and payable. IRWD agrees that, at its own cost and expense, it will maintain, preserve and keep its Operating Systems and every part and

parcel thereof in good repair, working order and condition and that it will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. IRWD shall not use the System to conduct any business other than that which is lawfully permitted. IRWD will procure and maintain such insurance relating to the Operating Systems which it shall deem advisable or necessary to protect its interests and operations, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with public water, sewer and reclaimed water systems similar to the Operating Systems; provided, that any such insurance may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner as is, in the opinion of an accredited actuary, actuarially sound. All policies of insurance required to be maintained hereunder shall provide that the Trustee and the Bank shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby. IRWD shall also procure, and maintain at all times adequate fidelity insurance or bonds on all officers and employees handling or responsible for any System revenues, such insurance or bonds to be in an aggregate amount at least equal to the maximum amount of such System revenues at any one time in the custody of all such officers and employees or in the amount of one million dollars (\$1,000,000), whichever is less. The insurance described above may be provided as a part of any comprehensive fidelity and other insurance and not separately for the System.

Notwithstanding the foregoing provisions of this Section, if at any time IRWD shall be unable to obtain or maintain insurance to the extent required by such provisions on reasonable terms, as to amounts, costs or as to risks, the failure to maintain such insurance shall not constitute an Event of Default under this Agreement if IRWD shall cause the employment of an independent insurance consultant having a favorable reputation for skill and experience in such matters, for the purpose of reviewing such insurance requirements and making recommendations respecting the types, amounts and provisions of reasonably obtainable insurance, including self-insurance, or the establishment of other generally accepted forms of alternative protection that should be carried in lieu thereof, or the infeasibility of obtaining insurance, and if IRWD shall comply with the recommendations made in such report. A signed copy of the report of the insurance consultant shall be filed with the Trustee with a copy to the Bank, and the insurance requirements specified in this Section shall be deemed to be modified to conform with the recommendations in such report.

(1) ***Payment of Taxes and Claims.*** IRWD will pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished, or alleged to have been furnished, to or for IRWD in, upon, about or relating to the Operating Systems and will keep the Operating Systems free of any and all liens. In the event any such lien attaches to or is filed against any portion of the Operating Systems, IRWD will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if IRWD desires to contest any such lien it may do so if contesting such lien will not materially impair operation of the Operating Systems. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, IRWD will forthwith pay or cause to be paid and discharged such

judgment. IRWD will: (i) pay and discharge all taxes, assessments and other governmental charges which may hereafter be imposed upon the Operating Systems or any part thereof when the same shall become due; and (ii) will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Operating Systems or any part thereof; provided, however, that IRWD shall not be required to comply with the requirements of either clause (i) or clause (ii) above to the extent that the validity or application of any particular taxes, assessments or other governmental charges, or any particular regulation or requirement, as applicable, shall be contested in good faith and contesting such validity or application will not materially impair the operation or maintenance of the Operating Systems or the financial condition of IRWD or the ability of IRWD to perform all of its obligations under the Indenture.

(m) **Permits and Licenses.** IRWD shall maintain and comply with all necessary permits and licenses issued by governmental authorities having jurisdiction, where failure to so maintain or comply could be reasonably expected to have a Material Adverse Effect.

(n) **Best Efforts.** In the event (A) IRWD does not request an extension of the Termination Date or the Bank denies or fails to respond to a request to extend the Termination Date or (B) the Bank purchases all outstanding Bonds following the occurrence of an Event of Default, IRWD shall use its best efforts to secure an Alternate Letter of Credit for the Bonds, convert the Bonds to a mode of interest that does not require credit enhancement, prepay the Bonds or defease the Bonds as soon as practicable.

(o) **Waiver of Sovereign Immunity.** IRWD hereby irrevocably waives, to the full extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Agreement and the Fee Letter. To the extent that IRWD has or hereafter may acquire under any applicable law any right to immunity from set-off or legal proceedings, on the grounds of sovereign immunity or any other similar doctrine, IRWD hereby irrevocably waives, to the full extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Agreement and the Fee Letter.

(p) **Return of Letter of Credit.** IRWD shall, upon the occurrence of the Termination Date, cause the Trustee to surrender forthwith the Letter of Credit to the Bank for cancellation.

(q) **Swap Termination Payments.** IRWD shall ensure that termination payments, if any, under any interest rate swap agreement or similar instrument that are secured by Revenues shall be Subordinate Obligations.

**Section 5.2. Negative Covenants of IRWD.** IRWD covenants and agrees that so long as any Bonds or any Bank Obligation shall be unpaid or unperformed or the Bank shall have any liability under or in respect of the Letter of Credit:

(a) **No Change in Financing Documents.** IRWD will not cancel, terminate, amend, supplement, modify or waive any of the provisions of the Financing Documents in a manner which could reasonably be expected to have a Material Adverse Effect or which

adversely affects the security for the Bank Obligations or the rights and remedies of the Bank under this Agreement, in each case without the prior written consent of the Bank.

(b) **Arbitrage.** IRWD shall not use, or permit the use of, any Bond proceeds in any manner which would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended.

(c) **Optional Redemption.** IRWD will not optionally redeem the Bonds under Section 3.04 of the Indenture unless IRWD has deposited with the Bank or the Trustee an amount equal to the principal amount of Bonds to be redeemed pursuant to Section 3.04 of the Indenture by the date of such redemption. IRWD shall ensure that Liquidity Provider-Owned Bonds are redeemed prior to the redemption of other Bonds.

(d) **No Priority Claim.** (i) IRWD will not incur, assume or permit any Debt (which term does not include Operation and Maintenance Expenses) with a claim to payment from the Net Revenues of higher priority than the claim of the Bank Obligations to payment from Net Revenues and (ii) IRWD will not incur, assume or permit any Debt secured by a pledge of Revenues of higher priority than the pledge securing the payment of the Bank Obligations hereunder.

(e) **Maintenance of Tax-Exempt Status of the Bonds.** IRWD will not take any action or omit to take any action which, if taken or omitted, would adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation or the exemption of such interest from State of California personal income taxes.

(f) **Offering Circular.** IRWD will not include, or permit to be included, any material or reference relating to the Bank in any offering circular or official statement, unless such material or reference is approved in writing by the Bank prior to its inclusion therein; and IRWD will not distribute, or permit to be distributed or used, any offering circular or official statement that includes a reference to the Bank unless a copy of such offering circular or official statement has first been furnished to the Bank.

(g) **Remarketing; Remarketing Agent.** IRWD will not permit the Remarketing Agent to remarket any Bonds (i) if an Event of Default shall have occurred and be continuing and the Bank shall have instructed IRWD not to permit the remarketing of such Bonds, or (ii) at a price less than the principal amount thereof plus accrued interest, if any, thereon to the respective dates of remarketing. IRWD shall not remove the Remarketing Agent or appoint any successor thereto without the prior written consent of the Bank. If the Remarketing Agent fails to make efforts as required under the Remarketing Agreement to perform its duties under, and in accordance with the terms of, the Remarketing Agreement or if the Remarketing Agent fails to remarket Liquidity Provider-Owned Bonds for thirty (30) consecutive calendar days, IRWD shall, at the written direction of the Bank, remove the Remarketing Agent. If the Remarketing Agent is removed or resigns, IRWD shall appoint a successor thereto in accordance with the terms of the Indenture and with the prior written consent of the Bank. Such appointment shall be made as soon as practicable and, in the case of resignation, no later than the resignation effective date. IRWD shall not enter into any Remarketing Agreement unless such Remarketing Agreement contains the

following: (i) an agreement on the part of the Remarketing Agent to use its best efforts to remarket Bonds, including Liquidity Provider-Owned Bonds, at rates up to an including the “Maximum Rate” (as defined in the Indenture); and (ii) a provision that requires that the Remarketing Agent’s resignation shall not become effective until thirty (30) day’s following the Remarketing Agent’s delivery of written notice to IRWD and the Bank and, if IRWD has not appointed a successor Remarketing Agent by the end of such thirty (30) day notice period but continues to pay remarketing fees to the Remarketing Agent, the Remarketing Agent’s resignation shall not become effective until the earlier of (A) the date on which a successor Remarketing Agent is appointed and (B) thirty (30) days from the expiration of such initial thirty (30) day notice period. Without limiting the preceding sentence, IRWD will not enter into any successor Remarketing Agreement without the prior written consent of the Bank, which consent shall not be unreasonably withheld, unless such successor Remarketing Agreement contains provisions that are substantially the same as those contained in, and affords protection to the rights and interests of the Bank that is substantially the same as that afforded by, the predecessor Remarketing Agreement.

(h) **Trustee.** IRWD will not appoint or permit or suffer to be appointed any successor Trustee without the prior written consent of the Bank, which consent shall not be unreasonably withheld.

(i) **Dissolution, Consolidation, Merger, etc.** IRWD will not dissolve without the prior written consent of the Bank. IRWD will not, without the prior written consent of the Bank, consolidate or merge with or into any other Person, unless:

(A) neither the validity nor the enforceability of this Agreement or any other Financing Document to which IRWD is a party shall be adversely affected thereby;

(B) such merger or consolidation shall be with or into another body politic and corporate or similar entity, which shall assume in writing or by operation of law the due and punctual performance and observance of all covenants, agreements and conditions of IRWD under this Agreement and the other Financing Documents to which IRWD is a party;

(C) such merger or consolidation would not have a Material Adverse Effect; and

(D) the Bank shall have received satisfactory evidence that no Rating Agency will lower, suspend or withdraw its Rating as a result of such merger or consolidation.

If IRWD will not be a surviving entity or successor entity of any such consolidation or merger, (i) at least thirty (30) days before the consummation of any such consolidation or merger, IRWD shall give notice thereof in reasonable detail to the Bank and (ii) IRWD promptly shall furnish such additional information with respect to any such consolidation or merger as the Bank shall request and, if the Bank shall so request, a certificate of an authorized officer of IRWD, in form and

substance satisfactory to the Bank, as to the matters set forth in paragraphs (A), (B) and (C) of this Section and as to such other matters as the Bank shall reasonably request.

(j) ***Lien on Revenues.*** IRWD will not create, incur or permit to exist any lien of any kind on the Revenues other than as expressly permitted in this Agreement.

(k) ***Additional Parity Obligations.*** IRWD shall not at any time issue additional Parity Obligations unless:

(i) The Net Revenues, plus any ad valorem assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, for the Applicable Fiscal Year, as evidenced by both a calculation prepared by IRWD and a special report on such calculation prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on file with IRWD, shall have been at least equal to one hundred twenty five percent (125%) of the Aggregate Debt Service for the Applicable Fiscal Year; and

(ii) Either of (1) or (2) below:

(1) The Net Revenues for the Applicable Fiscal Year, plus any adjustments to Net Revenues to give effect as of the first day of the Applicable Fiscal Year to increases or decreases in rates and charges of IRWD approved and in effect as of the date of calculation, plus any ad valorem assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, shall produce an amount at least equal to one hundred twenty-five percent (125%) of the sum of: (i) the Aggregate Debt Service for such Fiscal Year plus (ii) the Debt Service which would have accrued on any Parity Obligations issued since the end of the Applicable Fiscal Year assuming such Parity Obligations had been issued at the beginning of the Applicable Fiscal Year plus (iii) the Debt Service which would have accrued had the additional Parity Obligations to be issued been issued at the beginning of the Applicable Fiscal Year; or

(2) The estimated Net Revenues for each Fiscal Year in the Test Period, plus an allowance for estimated Net Revenues for each Fiscal Year in the Test Period arising from the completion of any uncompleted projects during the Test Period, plus any ad valorem assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, plus any increase in the income, rents, fees, rates and charges estimated to be received by IRWD and which are economically feasible and reasonably considered necessary based on projected operations for the Test Period, shall produce an amount in each Fiscal Year in the Test Period which is at least equal to one hundred twenty-five percent (125%) of the sum of: (i) Aggregate Debt

Service in each such Fiscal Year on all then outstanding Parity Obligations plus (ii) the Debt Service in each such Fiscal Year on the additional Parity Obligations to be issued plus (iii) the Debt Service in each such Fiscal Year on any additional Parity Obligations estimated by IRWD to be required to complete all uncompleted projects for which Parity Obligations have been or are being issued, assuming that all such additional Parity Obligations to complete uncompleted projects (other than the Parity Obligations to be issued) have maturities, interest rates and proportionate principal repayment provisions similar to the Parity Obligations then being issued.

(iii) Notwithstanding the provisions of subsections (i) and (ii) of this Section 5.2(k), IRWD may at any time issue additional Parity Obligations to refund outstanding Parity Obligations without satisfying any of the conditions set forth in such subsections if Aggregate Debt Service after the issuance of such additional Parity Obligations in each Fiscal Year in the Refunding Test Period is not greater than the Aggregate Debt Service in each such Fiscal Year before the issuance of such additional Parity Obligations.

(iv) Notwithstanding the provisions of subsections (i) and (ii) of this Section 5.2(k), IRWD may at any time issue a Parity Obligation constituting a Credit Support Agreement securing a Parity Obligation without satisfying any of the conditions set forth in such subsections if such Credit Support Agreement: (i) replaces a Prior Reimbursement Agreement (or a successor to a Prior Reimbursement Agreement) and does not increase the principal of bonds secured by the letter of credit relating to such Prior Reimbursement Agreement, or (ii) the Parity Obligations secured by the Credit Support Instrument relating to such Credit Support Agreement have been issued in accordance with subsections (i) and (ii) of this Section 5.2(k).

(v) Nothing herein shall preclude IRWD from issuing any Subordinate Obligations without complying with the provisions of any other subsection of this Section.

(l) ***Sale or Other Disposition of Property.*** IRWD will not sell, transfer or otherwise dispose of any of the works, plant, properties, facilities or other part or rights of the Operating Systems or any real or personal property comprising a part of the Operating Systems if such sale, transfer or disposition would cause IRWD to be unable to satisfy its obligations under the Indenture.

(m) ***No Additional Enhancement.*** So long as the Letter of Credit is in effect and the Bank's (A) unsecured short-term credit rating is not below "P1" by Moody's, below "A1" by S&P or below "F-1" by Fitch or (B) unsecured long-term credit rating is not below "A3" by Moody's, below "A-" by S&P or below "A-" by Fitch, IRWD shall not, without the consent of the Bank, deliver to the Trustee any Credit Support Instrument to secure the payment of the principal of, interest on, redemption price of or purchase price of the Bonds.



## ARTICLE VI

### CONDITIONS PRECEDENT

**Section 6.1. Conditions to Issuance and Delivery of Letter of Credit.** The obligation of the Bank to issue and deliver the Letter of Credit to the Trustee shall be subject to the fulfillment, at or before the issuance of the Letter of Credit, of each of the following conditions, in form and substance satisfactory to the Bank:

(a) ***The Financing Documents.*** The Financing Documents shall have been duly executed and delivered by each of the respective parties thereto and shall not have been modified, amended or rescinded, shall be in full force and effect on and as of the Effective Date and executed original or certified copies of this Agreement, the Fee Letter, the Indenture, the Remarketing Agreement and the Custodian Agreement shall have been delivered to the Bank.

(b) ***IRWD Proceedings, Etc.*** The Bank shall have received a certified copy of all resolutions and proceedings taken by IRWD authorizing the execution, delivery and performance of this Agreement and the other Financing Documents to which the IRWD is a party and the transactions hereunder and thereunder, together with such other certifications as to the specimen signatures of the officers of IRWD authorized to sign this Agreement and the other Financing Documents to be delivered by IRWD hereunder and as to other matters of fact as shall reasonably be requested by the Bank.

(c) ***Governmental Approvals, Etc.*** The Bank shall have received certified copies of all governmental approvals, if any, necessary for IRWD to execute, deliver and perform its obligations under the Financing Documents to which IRWD is a party.

(d) ***Certificate.*** The Bank shall have received a certificate signed by an authorized officer of IRWD (in his official capacity acting on behalf of IRWD), dated the Effective Date, to the same effect as paragraphs (a) through (c) of this Section 6.1, and to the further effect that (i) IRWD has obtained all consents, permits, licenses and approvals of, and has made all registration and declarations with governmental authorities required under law to authorize the execution, delivery and performance by IRWD of the Financing Documents; (ii) to the best knowledge of such officer (after due inquiry), no Default or Event of Default has occurred or is continuing or would result from the execution, delivery and performance of the Financing Documents; (iii) to the best knowledge of such officer (after due inquiry) there is no action, suit, investigation or proceeding to which IRWD is a party and which is pending or threatened (A) in connection with any of the transactions contemplated by this Agreement or any other Financing Document or (B) against or affecting IRWD or its assets, the result of which could reasonably be expected to have a Material Adverse Effect; and (iv) to the best knowledge of such officer (after due inquiry), no Material Adverse Effect has occurred since June 30, 2023. Such certificate shall cover such other matters incident to the transactions contemplated by this Agreement or any Financing Document as the Bank may reasonably request.

(e) **Reliance Upon Original Bond Counsel Opinion.** The Bank shall have received a reliance letter addressed to the Bank from Bond Counsel dated the Effective Date which letter shall permit the Bank to rely on the final approving opinion of Orrick, Herrington & Sutcliffe LLP dated April 15, 2011, and addressed to IRWD.

(f) **Favorable Opinion of Bond Counsel.** The Bank shall have received a Favorable Opinion of Bond Counsel addressed to the Bank from Bond Counsel dated the Effective Date relating to the issuance of the Letter of Credit.

(g) **Opinion of Counsel to IRWD.** The Bank shall have received an opinion addressed to the Bank of counsel to IRWD dated the Effective Date satisfactory in form and substance to the Bank.

(h) **Representations and Warranties True; No Default.** The Bank shall be satisfied that on the Effective Date each representation and warranty on the part of IRWD contained in this Agreement is true and correct in all material respects and no Default or Event of Default has occurred and is continuing, and the Bank shall receive a certificate, signed by the Treasurer of IRWD, to such effect.

(i) **IRWD Investments.** The Bank shall have received certified copies of (A) a summary of IRWD's current investment portfolio and (B) IRWD's investment policy and any amendments to either of the foregoing.

(j) **CUSIP Number.** The Bank shall have received evidence satisfactory to it that a CUSIP number has been assigned to Liquidity Provider-Owned Bonds.

(k) **Liquidity Provider-Owned Bond Rating.** The Bank shall have received evidence satisfactory to it that a rating of at least Investment Grade has been assigned to Liquidity Provider-Owned Bonds by any Rating Agency.

(l) **Other Requirements.** The Bank shall received such other certificates, approvals or filings, opinions and documents as shall be reasonably requested by the Bank.

**Section 6.2. Conditions Precedent to Liquidity Drawings and Term Loans.** A Liquidity Advance or a Term Loan shall be made available to IRWD only if (i) on the date of the Liquidity Drawing with respect to a Liquidity Advance, and (ii) on the Term Loan Date with respect to a Term Loan:

(a) the representations and warranties of IRWD contained in Article IV of this Agreement and in the other Financing Documents to which IRWD is a party are correct in all material respects on and as of the date of such Liquidity Advance or Term Loan Date as though made on and as of such date; provided, however, that the representations in Section 4.9 hereof shall be deemed to refer to the financial statements most recently delivered to the Bank in accordance with Section 5.1(f)(i) hereof; and

(b) no event has occurred and is continuing, or would result from the making of such Liquidity Advance or Term Loan, which constitutes a Default or Event of Default.

Unless IRWD shall have previously advised the Bank in writing that one or both of the above statements is no longer true, IRWD shall be deemed to have represented and warranted on the date of such payment that both of the above statements are true and correct.

## ARTICLE VII

### EVENTS OF DEFAULT

**Section 7.1. Events of Default.** Each of the following events, acts or occurrences shall constitute an “Event of Default” under this Agreement:

(a) (i) default in the payment when due of principal of any Liquidity Advance, Term Loan or reimbursement to the Bank for drawings for principal of any Bonds, (ii) default in the payment when due of interest on any Liquidity Advance, Term Loan or reimbursement to the Bank for drawings for interest on the Bonds or (iii) default in the payment for a period of three (3) days following the due date of any other Bank Obligation owing by IRWD; or

(b) IRWD shall default in the performance or observance of any term, covenant or agreement set forth in Section 5.1(a) (and such default shall continue after the applicable grace period, if any, specified in the agreement or instrument relating thereto), 5.1(e), 5.1(j), 5.1(k) or 5.2 hereof; or

(c) IRWD shall default in the performance or observance of any term, covenant, condition or agreement on its part to be performed or observed hereunder or under the Fee Letter (and not constituting an Event of Default under any other clause of this Section 7.1) and such default shall continue unremedied for ten (10) days after written notice thereof shall have been given to IRWD by the Bank, unless, in the case of any default that is curable, IRWD shall have notified the Bank within such ten day period that IRWD has commenced curing such default within such 10-day period, provided that no Event of Default shall occur under this subsection (i) only so long as IRWD is diligently prosecuting such cure to completion in a manner satisfactory to Bank, and (ii) if so requested by the Bank not less than thirty (30) days after the occurrence of such Default, IRWD shall deliver to the Bank evidence satisfactory to the Bank that such default is curable and that IRWD is diligently prosecuting such cure; or

(d) any of IRWD’s representations or warranties made herein or in any statement or certificate at any time given by or on behalf of IRWD pursuant hereto or in connection herewith, the Financing Documents and/or the Bonds is false or misleading in any material respect when made or deemed made; or

(e) IRWD shall either (i) become insolvent or generally fail to pay, or admit in writing its inability to pay, its debts as they become due; or (ii) voluntarily commence any proceeding or file any petition under any bankruptcy, insolvency or similar law seeking dissolution or reorganization or the appointment of a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business or to effect a plan or other arrangement with its creditors, or shall file any answer admitting the

jurisdiction of the court and the material allegations of an involuntary petition filed against it in any bankruptcy, insolvency or similar proceeding, or shall be adjudicated bankrupt, or shall make a general assignment for the benefit of creditors, or shall consent to, or acquiesce in the appointment of, a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business; or (iii) take any action for the purpose of effectuating any of the foregoing; or

(f) a moratorium shall have been declared or announced by any applicable Governmental Authority (whether or not in writing) with respect to any Debt of IRWD; or

(g) involuntary proceedings or an involuntary petition shall be commenced or filed against IRWD under any bankruptcy, insolvency or similar law seeking the dissolution or reorganization of IRWD or the appointment of a receiver, trustee, custodian or liquidator for IRWD or of a substantial part of the property, assets or business of IRWD, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of IRWD, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded, within thirty (30) days after commencement, filing or levy, as the case may be; or

(h) an “Event of Default” under the Indenture (as such term is defined in the Indenture) (and not constituting an Event of Default under any other clause of this Section 7.1) shall have occurred and be continuing (for the purpose of this provision the Indenture shall be deemed to continue in full force and effect notwithstanding any earlier termination thereof so long as any obligation of IRWD under this Agreement or the Fee Letter shall remain unpaid); or

(i) IRWD shall fail to pay any Parity Obligation in an amount equal to or greater than \$5,000,000 when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Parity Obligation; or any other default under any agreement or instrument relating to any such Parity Obligation, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Parity Obligation; or any such Parity Obligation shall be properly declared to be due and payable, or required to be prepaid (other than by optional or regularly scheduled prepayment), prior to the stated maturity thereof; or

(j) a judgment or order for the payment of money in excess of \$5,000,000 shall be rendered against IRWD and not satisfied by IRWD and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of sixty (60) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(k) any material provision of this Agreement or any other Financing Document to which IRWD is a party shall at any time for any reason cease to be valid and binding on IRWD, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by IRWD, or a proceeding shall be commenced by any governmental agency or authority having jurisdiction over IRWD seeking to establish the invalidity or unenforceability thereof, or IRWD shall deny that it has any or further liability or obligation under this Agreement or any other Financing Document to which it is a party; or

(l) any of the funds or accounts established pursuant to the Indenture or any funds or accounts on deposit, or otherwise to the credit of, such funds or accounts shall become subject to any stay, writ, judgment, warrant of attachment, execution or similar process by any of the creditors of IRWD and such stay, writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or stayed within fifteen (15) days after its issue or levy; or

(m) dissolution or termination of the existence of IRWD; or

(n) (i) the withdrawal or suspension of a Rating by a Rating Agency for credit-related reasons; or (ii) the downgrade by any of Moody's, S&P or Fitch of its Rating to a level below A2, A or A, respectively, and the continuance of such downgrade for sixty days or more; or (iii) the downgrade by a Rating Agency of its Rating to a level below Investment Grade; or

(o) any "event of default" under any agreement between IRWD and the Bank shall have occurred and be continuing.

**Section 7.2. Remedies.** Upon the occurrence and during the continuance of any Event of Default, the Bank at its option, may, upon notice to the Trustee and IRWD, do any one or more of the following:

(a) by written, electronic or telephonic notice, declare all payment Bank Obligations immediately due and payable, and the same shall thereupon become and be due and payable without demand, notice of demand, presentment, protest, notice of protest, notice of dishonor, notice of non-payment, or further notice of any kind, all of which are hereby expressly waived, and credit any sums received thereafter in such manner as it elects upon such indebtedness; provided, however, that such application of sums so received shall not serve to waive or cure any default existing under any of the Financing Documents nor to invalidate any notice of default or any act done pursuant to such notice and shall not prejudice any rights of the Bank or the Trustee;

(b) require, in accordance with the Indenture, the Trustee to accelerate payment of all Bonds and interest accrued thereon as provided in Section 8.02 of the Indenture thereby causing the Letter of Credit to expire fifteen (15) days later;

(c) require, in accordance with the Indenture, the Trustee to give notice of mandatory tender of the Bonds and to purchase all Bonds and interest accrued thereon and to register the Bonds in the name or at the direction of the Bank thereby causing the Letter of Credit to expire fifteen (15) days later; and/or

(d) exercise any or all rights provided or permitted by law or in equity or granted pursuant to any of the Financing Documents in such order and in such manner as the Bank may, in its sole judgment, determine;

provided, however, that upon the occurrence of any event specified in Section 7.1(e), (f) or (g) above, all payment Bank Obligations shall automatically and immediately become and be due and payable without demand, notice of demand, presentment, protest, notice of protest, notice of dishonor, notice of non-payment or further notice of any kind, all of which are hereby expressly waived.

**Section 7.3. No Waiver of Remedies.** No waiver of any breach of or default under any provision of any of the Financing Documents shall constitute or be construed as a waiver by the Bank of any subsequent breach of or default under that or any other provision of any of the Financing Documents.

**Section 7.4. Remedies Not Exclusive.** No remedy herein conferred upon the Bank is intended to be exclusive of any other remedy herein or in any other agreement between the parties hereto or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder, under the other Financing Documents or now or hereafter existing at law, in equity or by statute.

## ARTICLE VIII

### MISCELLANEOUS

**Section 8.1. No Waiver; Modifications in Writing.** No failure or delay on the part of the Bank in exercising any right, power or remedy hereunder or under the Fee Letter shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other right, power or remedy. No amendment, modification, supplement, termination or waiver of or to any provision of this Agreement or the Fee Letter, or consent to any departure by IRWD therefrom, shall be effective unless the same shall be in writing and signed by or on behalf of the Bank. Any amendment, modification or supplement of or to any provision of this Agreement or the Fee Letter, and any consent to any departure by IRWD from the terms of any provision of this Agreement or the Fee Letter, shall be effective only in the specific instance and for the specific purpose for which made or given. No notice to or demand on IRWD in any case shall entitle IRWD to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Bank to any other or further action in any circumstances without notice or demand. IRWD shall notify the Trustee of each amendment to this Agreement.

**Section 8.2. Further Assurances.** IRWD agrees to do such further acts and things and to execute and deliver to the Bank such additional assignment, agreements, powers and instruments as the Bank may reasonably require or deem advisable to carry into effect the purposes of this Agreement and the Fee Letter or to better assure and confirm unto the Bank its rights, powers, and remedies hereunder and thereunder.

**Section 8.3. Notices, Etc.** All notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto or under the Fee Letter or any

other Person shall be in writing and shall be personally delivered or sent by registered or certified mail, postage prepaid, or by prepaid facsimile and shall be deemed to be given for purposes of this Agreement and the Fee Letter on the day that such writing is delivered to the intended recipient thereof in accordance with the provisions of this Section 8.3. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section 8.3, notices, demands, instructions and other communications in writing shall be given to or made upon the respective parties hereto at their respective addresses (or to their respective facsimile numbers) indicated below:

If to IRWD:

Irvine Ranch Water District  
15600 Sand Canyon Avenue  
Irvine, California 92618  
Attention: Treasurer  
Telephone: (949) 453-5300  
Facsimile: (949) 453-0128

If to the Trustee:

The Bank of New York Mellon Trust Company,  
N.A.  
333 South Hope Street, Suite 2525  
Los Angeles, California 90071  
Attention: Marina Meza, Vice President  
Telephone: (213)630-6228  
Email: marina.meza.@bnymellon.com

If to the Bank for  
credit matters, to:

Bank of America, N.A.  
315 Montgomery Street  
CA5-705-11-00  
San Francisco, California 94104  
Attention: Grace Barvin, Senior Vice President  
Telephone: (415) 913-2325  
Email: grace.barvin@bofa.com

With a copy to:

Bank of America, N.A.  
OK1-100-18-01  
211 N. Robinson, 18<sup>th</sup> Floor  
Oklahoma City, Oklahoma 73102  
Attention: Tricia Lott  
Telephone: (405) 230-1736  
Email: tricia.jones@bofa.com

If to the Bank with  
respect to the Letter  
of Credit to:

Bank of America, N.A.  
1 Fleet Way  
PA6-580-02-30  
Scranton, Pennsylvania 18507

Attention: Letter of Credit Department  
Telephone: (800) 370-7519, option 1  
Facsimile: (800) 755-8743

or at such other address as shall be designated by such party in a written notice to the other party hereto.

This Agreement, the Fee Letter and the Custodian Agreement may be transmitted and/or signed by facsimile. The effectiveness of any such documents and signatures shall, subject to applicable law, have the same force and effect as manually signed originals and shall be binding on IRWD and the Bank.

Electronic mail and hyperlinks to internet websites that do not require passwords may be used only to distribute routine notices, such as financial statements and other information, and to distribute documents for execution by the parties thereto, and may not be used for any other purpose unless delivery by such means is promptly followed by hand delivery, delivery by courier or delivery by facsimile.

**Section 8.4. Costs, Expenses and Taxes.** IRWD agrees to pay, subject to the receipt of an invoice, upon at least ten (10) days' prior notice, all reasonable costs and expenses of the Bank in connection with the fees and expenses of any custodian appointed by the Bank to hold any Liquidity Provider-Owned Bonds and any and all stamp or documentary taxes or any other excise or property taxes, charges or similar levies or fees payable or determined to be payable in connection with the execution, delivery, filing and recording of the Letter of Credit, this Agreement or the other Financing Documents, and any other documents which may be delivered in connection with this Agreement. In addition, IRWD agrees to pay on demand, any and all costs and expenses incurred by the Bank (including attorneys' fees) in connection with the enforcement, attempted enforcement or preservation of any rights or remedies of the Bank under this Agreement, the other Financing Documents and any other documents delivered hereunder, whether or not suit is filed and whether or not an Event of Default exists (including all such costs and expenses incurred during any "workout" or restructuring in respect of the Bank Obligations and during any legal proceeding, including any proceeding under any debtor relief law). To the extent permitted by law, IRWD agrees to save the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omitting to pay any taxes and fees to the extent IRWD is obligated to pay the same under this Section 8.4.

**Section 8.5. Assignments, Participations, etc.**

(a) The Bank may, with the consent of IRWD, which consent may be given or withheld in its sole discretion, at any time, upon forty five (45) days' notice to IRWD and the Trustee, assign and delegate to a Person (an "Assignee") all of its rights and obligations under the Financing Documents, including as issuer of the Letter of Credit; provided that the Bank provides written evidence from the Rating Agencies which then have a rating in effect for the Bonds that such assignment will not by itself result in a reduction, suspension or withdrawal of its rating of the Bonds.



(b) From and after the date that the Bank notifies IRWD, (i) the Assignee thereunder shall be a party hereto and shall have the rights and obligations of the Bank under the Financing Documents, and (ii) the Bank shall relinquish its rights and be released from its obligations under the Financing Documents.

(c) The Bank may at any time and from time to time sell to one or more commercial banks or other Persons not Affiliates of IRWD (a “Participant”) participating interests in its rights and obligations hereunder, including the Letter of Credit and the other interests of the Bank hereunder and under the other Financing Documents; provided, however, that (i) the Bank’s obligations under this Agreement shall remain unchanged, (ii) the Bank shall remain solely responsible for the performance of such obligations, and (iii) the participation of one or more Participants shall not result in a reduction of any rating for the Bonds, or reduce or alter the Bank’s obligations under this Agreement or affect in any way the rights or obligations of IRWD hereunder, under the Fee Letter or under the Bonds and IRWD shall have the right to continue to deal solely with the Bank. In the case of any such participation, the Participant shall be entitled to the benefit of Section 2.2(f) as though it were also the Bank hereunder (to the extent set forth therein), and if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as the Bank under this Agreement. Nothing contained in this Section 8.5(c) shall require delivery of a Rating Confirmation Notice (as defined in the Indenture) as a condition precedent to the sale by the Bank of any participating interest in the Bank’s rights and obligations hereunder, including the Letter of Credit and the other interests of the Bank hereunder and under the other Financing Documents.

(d) Notwithstanding anything to the contrary contained herein, the Bank may at any time assign and pledge all or any portion of the obligations of IRWD owing to it hereunder or Liquidity Provider-Owned Bonds to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to law, rule or regulation of the Board of Governors of the Federal Reserve System and any operating circular or guideline issued by such Federal Reserve Bank, provided that any payment in respect of such assigned obligations or Liquidity Provider-Owned Bonds made by IRWD to the Bank in accordance with the terms of this Agreement shall satisfy IRWD’s obligations hereunder in respect of such assigned obligation or Liquidity Provider-Owned Bonds to the extent of such payment. No such assignment by the Bank shall release the Bank from its obligations hereunder or under the Letter of Credit.

**Section 8.6. Execution in Counterparts.** This Agreement may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

**Section 8.7. Entire Agreement.** This Agreement and the Fee Letter constitute the entire agreement and understanding between the parties hereto and supersedes any and all prior agreements and understandings (oral or written) relating to the subject matter hereof.

**Section 8.8. Binding Effect; Assignment.** This Agreement shall be binding upon, and inure to the benefit of, IRWD and the Bank and their respective successors and assigns; provided, however, that IRWD may not assign its rights or obligations hereunder without the prior written consent of the Bank. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement, and their respective successors and assigns.

**Section 8.9. Governing Law; Venue.**

(a) The Bank's rights and obligations hereunder and under the Fee Letter shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be construed in accordance with the laws of said State, without regard to principles of conflicts of law. For purposes of IRWD's rights and obligations hereunder, this Agreement and the Fee Letter shall each be deemed to be a contract made under the laws of the State of California and for all purposes shall be construed in accordance with the laws of said State, without regard to principles of conflicts of law.

(b) Any and all disputes or legal actions or proceedings arising out of, under and/or pertaining to this Agreement, the Fee Letter, the Letter of Credit, the Custodian Agreement or any document related hereto or thereto may be brought in the courts of the State of California located in the City of Los Angeles or of the Courts of the United States of America for the Central District of California and, by execution and delivery of this Agreement, the parties hereto consent to and hereby accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of the aforesaid courts. To the maximum extent permitted by law, the parties hereto hereby irrevocably waive any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens, which they may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions. The provisions of this Section 8.9(b) shall not limit the right of IRWD to bring any such action or proceeding against the Bank in any jurisdiction where such action or proceeding is legally permissible. Each party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Nothing in this Section 8.9 shall affect the right of a party to serve legal process on the other party in any manner permitted by law or affect the right of a party to bring any suit, action or proceeding against the other party or its property in the courts of any other jurisdiction.

**Section 8.10. WAIVER OF JURY TRIAL.**

(a) TO THE FULL EXTENT PERMITTED BY LAW, IRWD AND THE BANK EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY FOR ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE FEE LETTER, THE LETTER OF CREDIT, THE CUSTODIAN AGREEMENT OR ANY OTHER DOCUMENT DELIVERED IN CONNECTION HERewith OR THEREwith, OR THE TRANSACTIONS

CONTEMPLATED HEREBY OR THEREBY OR IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY BANK-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH OF IRWD AND THE BANK FURTHER AGREES, TO THE FULLEST EXTENT PERMITTED BY LAW, THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT JURY. WITHOUT LIMITING THE FOREGOING, TO THE EXTENT PERMITTED BY LAW, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT, THE FEE LETTER, THE LETTER OF CREDIT, THE CUSTODIAN AGREEMENT OR ANY OTHER DOCUMENT DELIVERED IN CONNECTION HERewith OR THEREWITH OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND ANY OTHER DOCUMENTS DELIVERED IN CONNECTION THEREWITH.

(b) In the event the waiver of jury trial as set forth in subsection (a) of this Section shall be declared void or unenforceable, each of IRWD and the Bank agrees to refer the dispute to a judicial referee in accordance with the provisions of Section 638 et seq. of the California Code of Civil Procedure.

**Section 8.11. Severability of Provision.** Any provision of this Agreement or the Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or thereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

**Section 8.12. Headings.** Article and Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

**Section 8.13. Actions Relating to the Financing Documents; Indemnity.**

(a) **Related Actions.** Any action taken or omitted by the Bank under or in connection with the Financing Documents, if taken or omitted in good faith and without willful misconduct or gross negligence, shall be binding upon IRWD and shall not put the Bank under any resulting liability. Without limiting the generality of the foregoing, the Bank shall be protected in relying upon a duly executed instrument of transfer in the form attached as an annex to the Letter of Credit.

(b) **No Liability.** The Bank shall not have any liability to IRWD, and IRWD assumes all risk and responsibility for (i) the form, sufficiency, correctness, validity, genuineness, falsification and legal effect of any demands and other documents, instruments and other papers relating to the Letter of Credit even if such documents, should

prove to be in any or all respects invalid, insufficient, fraudulent or forged, (ii) the general and particular conditions stipulated therein, (iii) the good faith acts of any Person whatsoever in connection therewith, (iv) failure of any Person (other than the Bank, subject to the terms and conditions hereof) to comply with the terms of the Letter of Credit, (v) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telex, telegraph, wireless or otherwise, whether or not they be in code, (vi) errors in translation or errors in interpretation of technical terms, (vii) for any other consequences arising from causes beyond the Bank's control, (viii) any use of which may be made of the Letter of Credit or any acts or omissions of the Trustee and any other beneficiary or transferee in connection therewith, (ix) payment by the Bank against presentation of documents which do not comply with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit, or (x) any other circumstances whatsoever in making or failing to make payment under the Letter of Credit, except that IRWD shall have a claim against the Bank individually, and the Bank individually shall be liable to IRWD, to the extent of any direct, as opposed to consequential, damages suffered by IRWD which a court of competent jurisdiction determines were caused by (i) the Bank's willful misconduct or gross negligence in determining whether documents presently under the Letter of Credit comply with the terms of the Letter of Credit or (ii) the Bank's willful or grossly negligent failure to make lawful payment under the Letter of Credit after the presentation to it by the Trustee or a successor depository under the Indenture of a demand for payment strictly complying with the terms and conditions of the Letter of Credit.

(c) ***Waiver of Right to Object.*** IRWD waives any right to object to any payment made under the Letter of Credit against a demand and accompanying documents as provided in the Letter of Credit varying in punctuation, capitalization, spelling or similar matters of form. The Bank may accept any demands and other documents that appear on their face to be in accordance with the procedures for presentation set forth in the Letter of Credit, without responsibility for further investigation.

(d) ***Indemnification.*** Recognizing that transactions such as the issuance and sale of the Bonds sometimes result in threatened or actual litigation and that the Bank's role under the Financing Documents is limited to acting solely as the issuer of the Letter of Credit to enhance the credit quality of the Bonds and to provide for an efficient mechanism for the payment of principal and interest thereon and the purchase price thereof, IRWD agrees to indemnify and hold each Bank-Related Person harmless to the full extent lawful against any and all claims, damages, losses, liabilities, costs and expenses incurred (including all reasonable fees and disbursements of each such Bank-Related Person's legal counsel and allocated cost of in-house counsel and staff and all of each Bank-Related Person's reasonable travel and other out-of-pocket expenses incurred in connection with the investigation of and preparation for any such pending or threatened claims and any litigation and other proceedings arising therefrom) arising out of or based upon (i) the issuance of the Letter of Credit, (ii) the holding or owning by the Bank or its nominee of any Bond, (iii) the issuance, sale and distribution of the Bonds, including without limitation the inclusion of any untrue statement or alleged untrue statement of a material fact contained in any offering statement made available to purchasers of the Bonds, or any amendments or supplements thereto, or the omission or alleged omission to state therein a

material fact required to be stated therein or necessary to make the statements therein, in the light of circumstances under which they were made, not misleading, except insofar as any such claims, losses and expenses arise out of or are based on an untrue statement or alleged untrue statement in, or omission or alleged omission from, such offering statement (or any amendments or supplements thereto) made in reliance upon and in conformity with information furnished in writing to IRWD by the Bank, or (iv) by reason of or in connection with the execution and delivery or transfer of, or payment or failure to make payment under, the Letter of Credit; provided, however, that IRWD shall not be required to indemnify a Bank-Related Person pursuant to clause (iv) for any claims, damages, losses, liabilities, costs or expenses to the extent caused by (A) such Bank-Related Person's willful misconduct or gross negligence in determining whether documents presented under the Letter of Credit comply with the terms of the Letter of Credit or (B) such Bank-Related Person's willful or grossly negligent failure to make lawful payment under the Letter of Credit of a demand for payment strictly complying with the terms and conditions of the Letter of Credit. Nothing in this Section 8.13 is intended to limit IRWD's obligations contained in Article II hereof.

The obligations of IRWD under this Subsection (d) shall be in addition to any rights that any Indemnitee may have at common law or otherwise and shall survive the Termination Date. If indemnification pursuant to this Subsection (d) shall be found to be unlawful or invalid for any reason, then IRWD and each Indemnitee shall to the extent lawful make contributions in payment of any liabilities incurred pursuant to the above referenced issuance, sale and distributions and statements or omissions in accordance with the respective fault of IRWD and each Indemnitee.

If any action shall be brought against the Bank in respect of which indemnity may be sought against IRWD, the Bank shall promptly notify IRWD in writing, and IRWD shall promptly assume the defense thereof, including the employment of counsel (the selection of which shall have been approved by the Bank and such approval shall not be unreasonably withheld), the payment of all expenses and the right to negotiate and consent to settlement. IRWD shall not settle any such action which adversely affects the Bank without the Bank's consent. In the event that the Bank shall be advised by counsel experienced in matters of banking or securities laws that the Bank has defenses or causes of action separate from those of IRWD, the Bank shall have the right to employ counsel (which counsel shall be acceptable to the IRWD in its reasonable discretion) to defend such action and to participate in the defense thereof, and the fees and expenses of such counsel shall be at the expense of IRWD. IRWD shall not be liable for any settlement of any such action effected without its consent by the Bank, but if settled with the consent of IRWD, or if there be a final judgment for the plaintiff in any such action against IRWD or the Bank, with or without the consent of IRWD, IRWD agrees to indemnify and hold harmless the Bank to the extent provided herein.

**Section 8.14. Notice to Trustee.** Unless made directly to the Bank by the Trustee, the Bank will notify the Trustee promptly upon the Bank's receipt of payment with respect to the Liquidity Provider-Owned Bonds.

**Section 8.15. USA Patriot Act.** The Bank hereby notifies IRWD that, pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107 56 signed into law October 26, 2001), it is required to obtain, verify and record information that identifies IRWD, which information includes the name and address of IRWD and other information that will allow the Bank to identify

IRWD in accordance with the USA Patriot Act. IRWD hereby agrees that it shall promptly provide such information upon request by the Bank.

**Section 8.16. No Advisory or Fiduciary Relationship.** In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Financing Document), IRWD acknowledges and agrees that: (a) (i) the services regarding this Agreement provided by the Bank and any affiliate thereof are arm's-length commercial transactions between IRWD, on the one hand, and the Bank and its affiliates, on the other hand, (ii) IRWD has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) IRWD is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Financing Documents; (b) (i) the Bank and its affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be, acting as an advisor, agent or fiduciary for IRWD and (ii) neither the Bank nor any of its affiliates has any obligation to IRWD with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Financing Documents; and (c) the Bank and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of IRWD, and neither the Bank nor any of its affiliates has any obligation to disclose any of such interests to IRWD. To the fullest extent permitted by law, IRWD hereby waives and releases any claims that it may have against the Bank or any of its affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

**Section 8.17. US QFC Stay Rules.** (a) **Recognition of U.S. Resolution Regimes.** In the event that any party that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of this Agreement (and any interest and obligation in or under this Agreement and any property securing this Agreement) from such Covered Entity will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement (and any such interest, obligation and property) were governed by the laws of the United States or a state of the United States. In the event that any party that is a Covered Entity or a BHC Act Affiliate of such party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights against such party with respect to this Agreement are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States. The requirements of this paragraph (a) apply notwithstanding the provisions of paragraph (b).

(b) **Limitation on the Exercise of Certain Rights Related to Affiliate Insolvency Proceedings.** Notwithstanding anything to the contrary in this Agreement or any related agreement, but subject to the requirements of paragraph (a), no party to this Agreement shall be permitted to exercise any Default Right against a party that is a Covered Entity with respect to this Agreement that is related, directly or indirectly, to a BHC Act Affiliate of such Covered Entity becoming subject to Insolvency Proceedings, except to the extent the exercise of such Default Right would be permitted under 12 C.F.R. § 252.84, 12 C.F.R. § 47.5, or 12 C.F.R. § 382.4, as applicable. After a BHC Act Affiliate of a party that is a Covered Entity has become subject to Insolvency Proceedings, any party that seeks to exercise a Default Right against such Covered

Entity with respect to this Agreement shall have the burden of proof, by clear and convincing evidence, that the exercise of such Default Right is permitted hereunder.

*[Remainder of Page Intentionally Left Blank]*

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 above written.

**IRVINE RANCH WATER DISTRICT**

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

Name: Douglas J. Reinhart

Its: President

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

Name: Leslie Bonkowski

Its: Secretary



**BANK OF AMERICA, N.A.**

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

Name: Grace Barvin

Title: Senior Vice President

**APPENDIX A**

**LETTER OF CREDIT TO BE INSERTED**

**APPENDIX B  
NO EVENT OF DEFAULT CERTIFICATE**

[Date]

Bank of America, N.A.  
315 Montgomery Street  
CA5-705-11-00  
San Francisco, California 94104  
Attention: Grace Barvin

Bank of America, N.A.  
OK1-100-18-01  
211 N. Robinson, 18th Floor  
Oklahoma City, Oklahoma 73102  
Attention: Tricia Lott

Re: Bonds of Irvine Ranch Water District Refunding Series 2011A-2 (the “Bonds”)

Ladies and Gentlemen:

Reference is hereby made to (i) that certain Reimbursement Agreement dated as of February 1, 2024 (as the same may be amended, modified and supplemented from time to time, the “Agreement”), between Irvine Ranch Water District (the “District”) and Bank of America, N.A. (the “Bank”) and (ii) the Letter of Credit described in the Agreement supporting the above-referenced Bonds. All capitalized terms contained herein which are not specifically defined shall be deemed to have the definitions set forth in the Agreement. In connection with Section 5.1(f)(ii) of the Agreement, the undersigned authorized officer of IRWD hereby certifies that, to the best knowledge of such officer (after due inquiry), **[no Event of Default or Default was continuing on \_\_\_\_\_, 202\_, or on the date of this Certificate)] [or] [an Event of Default or Default was continuing on \_\_\_\_\_, 202\_, or on the date of this Certificate. The nature of Event of Default or Default is [describe] and the action IRWD proposes to take with respect thereto is [describe]].**

**IRVINE RANCH WATER DISTRICT**

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

**APPENDIX C  
CUSTODIAN AGREEMENT**

CUSTODIAN AGREEMENT, dated as of February 1, 2024 (as the same may be amended, modified and supplemented from time to time, this "*Agreement*"), is entered into among BANK OF AMERICA, N.A., a national banking association (the "*Bank*"), IRVINE RANCH WATER DISTRICT, a California water district (the "*IRWD*"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. ("*BNY Mellon*"), as custodian for the Bank.

WITNESSETH:

WHEREAS, the Bank will issue its irrevocable direct-pay letter of credit (the "*Letter of Credit*") to provide credit and liquidity support for the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2 (the "*Bonds*") issued pursuant to an Indenture of Trust, dated as of April 1, 2011, between the IRWD and The Bank of New York Mellon, N.A., in its capacity as trustee (the "*Trustee*"; and such Indenture, as supplemented and amended, the "*Indenture*");

WHEREAS, the Letter of Credit may be drawn upon to pay, among other things, the purchase price of Bonds tendered or deemed tendered for purchase under certain circumstances as set forth in the Indenture; and

WHEREAS, it is a condition precedent, among others, to the obligation of the Bank to issue the Letter of Credit and enter into the Reimbursement Agreement, dated as of February 1, 2024, between IRWD and the Bank (as the same may be amended, modified, supplemented and restated from time to time, the "*Reimbursement Agreement*"), that BNY Mellon and IRWD shall have executed and delivered this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, the terms and conditions of this Agreement, and other good and valuable consideration, the parties hereto do hereby agree as follows:

1. Definitions. All terms capitalized herein and not defined herein shall have the meaning ascribed to them in the Indenture, or, if not defined therein, the meanings ascribed to them in the Reimbursement Agreement.

2. Appointment and Acceptance.

(a) The Bank hereby appoints BNY Mellon to act as agent, bailee and custodian ("*Custodian*") for the exclusive benefit of the Bank with respect to the Liquidity Provider-Owned Bonds. BNY Mellon hereby accepts such appointment and agrees to maintain and hold all Liquidity Provider-Owned Bonds at any time delivered to it as agent, bailee or custodian for the exclusive benefit of the Bank in accordance with the terms of this Agreement.

(b) The Custodian acknowledges and agrees that it is acting and will act with respect to the Liquidity Provider-Owned Bonds at the direction of the Bank for the exclusive benefit of the Bank and is not and shall not at any time be subject in any manner or to any extent to the direction or control of IRWD with respect to such Liquidity Provider-Owned Bonds. The Custodian agrees to act in strict accordance with this Agreement and in accordance with any lawful written instructions from the Bank delivered to the Custodian from time to time pursuant hereto. Under no circumstances shall the Custodian deliver possession of the Liquidity Provider-Owned Bonds to, or cause Liquidity Provider-Owned Bonds to be registered in the name of, IRWD, the Remarketing Agent or any Person other than the Bank except in accordance with the express terms of this Agreement or otherwise upon the written instructions of the Bank.

(c) The Custodian may rely and shall be protected in acting upon any document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Custodian shall not be liable for any error in judgment made in good faith by its responsible officers, employees and agents unless the Custodian, its responsible officers, employees or agents were grossly negligent or engaged in willful misconduct. Anything herein to the contrary notwithstanding, the Custodian shall have no liability hereunder for any act or omission except as shall result from its gross negligence or willful misconduct.

3. Receipt of the Liquidity Provider-Owned Bonds. The Custodian agrees to receive and hold Liquidity Provider-Owned Bonds in custody for the Bank; provided, however, if the Liquidity Provider-Owned Bonds are Liquidity Provider-Owned Bonds registered in the name of a Securities Depository or its nominee, the Custodian shall establish a beneficial ownership account in the name of the Bank on its books and records as a participant of the Securities Depository and shall credit such account with all Liquidity Provider-Owned Bonds (or beneficial ownership interests therein) acquired by the Bank. Immediately upon the Custodian's receipt of Liquidity Provider-Owned Bonds, the Custodian shall (a) promptly give telephonic, e-mail or facsimile notice to the Bank that it has received such Liquidity Provider-Owned Bonds and (b) within three (3) Business Days following such receipt, send or cause to be sent to the Bank, (i) a copy of the transfer journal entry for such Liquidity Provider-Owned Bonds identifying the principal amount of such Liquidity Provider-Owned Bonds and (ii) confirmation that the Bank or its nominee has been registered as the owner of such Liquidity Provider-Owned Bonds.

The Custodian acknowledges that it is familiar with the procedures set forth in a notice from The Depository Trust Company ("*DTC*"), dated April 4, 2008, respecting "Variable Rate Demand Obligations ("*VDRO*") Failed Remarketings and Issuance of Bank Bonds", as amended by DTC Notice number B3488-08, dated May 15, 2008 (as amended, the "*DTC April 4 Notice*") which, as of the date hereof, must be followed in the event that any of the Bonds that are tendered for purchase become Liquidity Provider-Owned Bonds. The Custodian agrees that, if any of the Bonds become Liquidity Provider-Owned Bonds and if the DTC April 4 Notice is in effect at such time, at the expense of IRWD, it will follow the DTC procedures set forth in the DTC April 4 Notice, as the same may be amended from time to time, including the withdrawal from DTC of any Bonds that have become Liquidity Provider-Owned Bonds and the simultaneous deposit with DTC of the Liquidity Provider-Owned

Bonds, as identified by new CUSIP numbers, to be held in the DTC account of the Bank. The Bank agrees that it shall not request the Custodian to, and the Custodian shall not be required to, deviate from the DTC procedures set forth in the DTC April 4 Notice, as amended from time to time, to the extent that the DTC April 4 Notice is in effect.

4. Payments with respect to the Liquidity Provider-Owned Bonds. If, while this Agreement is in effect, the Custodian shall become entitled to receive or shall receive any payment in respect of any Liquidity Provider-Owned Bonds, the Custodian agrees to accept the same as the Bank's agent and to hold the same in trust on behalf of the Bank and to deliver the same forthwith to the Bank in accordance with the payment instructions provided to the Custodian from time to time by the Bank in writing (any such payment instructions to remain effective until the Custodian receives written instructions from the Bank to the contrary).

5. Release of Liquidity Provider-Owned Bonds. Upon the remarketing of any Liquidity Provider-Owned Bonds and the Bank's receipt of BNY Mellon's (in its capacity as Trustee) duly completed and executed certificate in the form of Annex 9 to the Letter of Credit, the Custodian shall release Liquidity Provider-Owned Bonds in a principal amount equal to the principal amount so remarketed to the Remarketing Agent in accordance with the terms of the Indenture. In order to facilitate the transfer of Liquidity Provider-Owned Bonds, the Bank agrees to deliver to the Custodian from time to time upon the written request of the Custodian, instruments of transfer duly endorsed in blank by the Bank.

6. No Disposition, Etc. Except as provided in Section 5 above, without the prior written consent of the Bank, the Custodian agrees that it will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, Liquidity Provider-Owned Bonds, and will not create, incur or permit to exist any pledge, lien, mortgage, hypothecation; security interest, charge, option or any other encumbrance (except for the lien of the Bank) or take any other action with respect to Liquidity Provider-Owned Bonds, or any interest therein, or any proceeds thereof.

7. Information Regarding Liquidity Provider-Owned Bonds. The Custodian shall deliver to the Bank at the Bank's request such information as may be in the possession of the Custodian with respect to Liquidity Provider-Owned Bonds.

8. Standard of Care. The Custodian agrees that it will perform its duties hereunder in accordance with the express terms of this Agreement. The Custodian shall perform such duties and only such duties as set forth herein and no implied covenants or obligations shall be read into this Agreement against the Custodian. The Custodian shall not be liable to the Bank except for gross negligence or willful misconduct in the performance of its obligations under this Agreement. The Bank shall indemnify the Custodian and its officers, directors, agents and employees for and hold it harmless against any and all liability, cost, claim, expense, judgment or suit arising out of the performance of its obligations under this Agreement except for any liability cost, claim, expense, judgment or suit arising out of the gross negligence or willful misconduct of the Custodian. None of the provisions of this Agreement shall require the Custodian to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Custodian may conclusively

rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Custodian may consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel. The Custodian may execute any or the trusts of powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Custodian agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that, the Custodian shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Bank elects to give the Custodian e-mail or facsimile instructions (or instructions by similar electronic method) and the Custodian in its discretion elects to act upon such instructions, the Custodian's understanding of such instructions shall be deemed controlling. The Custodian shall not be liable for any losses, costs or expenses arising directly or indirectly from the Custodian's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Bank agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Custodian, including without limitation the risk of the Custodian acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Any bank, corporation or association into which the Custodian may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Custodian shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Custodian shall be the successor of the Custodian hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

The terms of this section 8 shall survive the termination of this Agreement and the earlier removal or resignation of the Custodian.

9. Removal or Resignation. The Custodian, at any time, effective upon five business day's prior written notice to the Bank, may resign, and the Bank may, at any time, effective immediately, and with or without cause, remove and discharge the Custodian from the performance of the Custodian's duties under this Agreement by written notice to the Custodian. Upon the effective date of any such termination or resignation, the Custodian shall deliver all Liquidity Provider-Owned Bonds then in its custody to any successor custodian to

be held in accordance with this Agreement or any other document executed by such successor custodian or, if the Bank has not designated a successor custodian, to the Bank.

10. Payment of Expenses. IRWD acknowledges and agrees that the transactions contemplated by this Agreement are for the benefit of IRWD and IRWD agrees to pay or cause to be paid all reasonable out-of-pocket fees, costs, disbursements, taxes and expenses (including, without limitation, the reasonable attorney's fees and expenses) incurred in connection with the enforcement of this Agreement by the Bank and, except as otherwise provided herein, the performance by the Custodian and the Bank of their respective obligations hereunder.

IRWD agrees to pay the Custodian's fees and reimburse the Custodian for its out-of-pocket expenses (including, without limitation, legal fees and expenses) pursuant to a separate fee schedule with the Custodian.

11. Further Assurances. The Custodian and IRWD each agree that at any time upon the written request of the Bank and at the expense of IRWD, such party will execute and deliver or cause to be executed and delivered any and all such further documents and do any and all such further acts and things as the Bank may reasonably request in order to effect the purposes of this Agreement.

12. Availability of Documents. The Custodian agrees to keep and to cause its agents to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available upon reasonable prior notice for inspection by the Bank, its agents, accountants, attorneys and auditors.

13. Originals and Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and which counterparts shall constitute and be one and the same instrument.

14. Notices. Except as otherwise expressly provided in this Agreement, all notices shall be in writing, and delivered personally or by certified or registered United States mail, postage prepaid, or by expedited mail or courier, return receipt requested, charges prepaid, addressed to the respective party at the address set forth below:

If to the Bank, to:	Bank of America, N.A. 315 Montgomery Street CA5-705-11-00 San Francisco, California 94104 Attention: Grace Barvin, Senior Vice President Telephone: (415) 913-2325 Email: grace.barvin@bofa.com
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With a copy to:	Bank of America, N.A. OK1-100-18-01 211 N. Robinson, 18 <sup>th</sup> Floor
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Oklahoma City, Oklahoma 73102  
Attention: Tricia Lott  
Telephone: (405) 230-1736  
Email: [tricia.jones@bofa.com](mailto:tricia.jones@bofa.com)

If to the Custodian: The Bank of New York Mellon Trust Company, N.A.  
333 South Hope Street, Suite 2525  
Los Angeles, California 90071  
Attention: Marina Meza, Vice President  
Telephone: (213) 630-6228  
Email: [marina.meza@bnymellon.com](mailto:marina.meza@bnymellon.com)

If to IRWD: Irvine Ranch Water District  
15600 Sand Canyon Avenue  
Irvine, California 92618  
Attention: Treasurer  
Telephone: (949) 453-5300  
Facsimile: (949) 453-0128

Any party may change the address to which notices are to be sent by giving written notice of such change to the other parties hereto.

15. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

16. Waivers, Amendments. None of the terms or provisions of this Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by each of the Bank, IRWD and the Custodian. This Agreement and all obligations of the Custodian and IRWD hereunder shall be binding upon their respective successors and assigns and shall, together with the rights and remedies of the Bank hereunder, inure to the benefit of the Bank and its successors and assigns.

17. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered on the day and year first above written.

**BANK OF AMERICA, N.A.**

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

Name: Grace Barvin

Title: Senior Vice President

*-Signature Page-  
Custodian Agreement*

**IRVINE RANCH WATER DISTRICT**

By: \_\_\_\_\_  
Name: Douglas J. Reinhart  
Its: President

By: \_\_\_\_\_  
Name: Leslie Bonkowski  
Its: Secretary

The Bank of New York Mellon Trust  
Company, N.A., in its capacity as Custodian

By: \_\_\_\_\_  
Title: Authorized Signatory

*-Signature Page-*  
*Custodian Agreement*

**IRREVOCABLE LETTER OF CREDIT**

**Bank of America, N.A.  
One Fleet Way  
PA6-580-02-30  
Scranton, Pennsylvania 18507**

LETTER OF CREDIT No. [            ]	ISSUE DATE February 8, 2024	STATED EXPIRATION DATE February 8, 2027	INITIAL STATED AMOUNT \$26,128,842
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The Bank of New York Mellon Trust Company, N.A.,  
as Trustee  
233 South Hope Street, Suite 2525  
Los Angeles, CA 90071  
Attention: Marina Meza

Ladies and Gentlemen:

At the request and on the instructions of our customer, Irvine Ranch Water District (“*IRWD*”), we hereby establish this Irrevocable Letter of Credit (the “*Letter of Credit*”) in the amount of \$26,128,842 (the “*Initial Stated Amount*”; and, as the same may from time to time be reduced and thereafter reinstated as hereinafter provided, the “*Stated Amount*”), consisting of (i) the amount of \$25,840,000.00 (as reduced and thereafter reinstated from time to time as hereinafter provided, the “*Principal Component*”), which may be drawn upon with respect to payment of the unpaid principal amount of, or portion of the purchase price corresponding to the principal of, the Bonds (as hereinafter defined), as certified to us, and (ii) the amount of \$288,842 (as reduced and thereafter reinstated from time to time as hereinafter provided, the “*Interest Component*”), which may be drawn upon with respect to the payment of up to 34 days' accrued interest on the Bonds or portion of the purchase price representing accrued interest on the Bonds, in each case assuming a maximum interest rate of 12% per annum and computed on the basis of the actual number of days elapsed over a year of 365 days (the “*Maximum Rate*”), as certified to us, in your favor for the benefit of the holders of the herein described Bonds, as Trustee under that certain Indenture of Trust, dated as of April 1, 2011 (the “*Indenture*”), by and between you, as Trustee, and IRWD, pursuant to which IRWD has issued its Bonds of Irvine Ranch Water District, Refunding Series 2011A-2, currently outstanding in the aggregate principal amount of \$25,840,000 (the “*Bonds*”). This Letter of Credit is effective immediately and expires on the expiration date described below.

Subject to the other provisions of this Letter of Credit, you or your transferee may obtain the funds available under this Letter of Credit by presentment to us of your sight draft or drafts drawn on Bank of America, N.A., Scranton, Pennsylvania. Each draft presented to us must be accompanied by your certification substantially in the form of one or more of the Annexes described below, as may be applicable to the type of drawing you are making (each such demand and presentation, a “*Drawing*”). You must comply with all of the instructions in brackets in preparing each such certification.

1. *Annex A (Periodic Interest Demand With Reinstatement Request)*. If you are demanding funds with respect to a scheduled interest payment on the Bonds in accordance with the Indenture, and such amount is to be reinstated immediately following the Drawing, your draft or drafts should be accompanied by your Annex A certification (each, an “*Annex A Drawing*”).

2. *Annex B (Principal and Interest Demand Without Reinstatement Request)*. If you are demanding funds with respect to the payment of principal and interest on the Bonds in connection with a partial redemption of Bonds in accordance with the Indenture, which amount is not to be reinstated following the Drawing, your draft or drafts should be accompanied by your Annex B certification (each, an “*Annex B Drawing*”).

3. *Annex C (Purchase Demand)*. If you are demanding funds with respect to the payment of principal and interest on the Bonds in connection with the purchase of Bonds at the option of the holder thereof or a mandatory purchase of the Bonds as a result of a change in interest rate mode from a weekly rate to a daily rate or *vice versa*, in each case made in accordance with the Indenture, your draft or drafts should be accompanied by your Annex C certification (each, an “*Annex C Drawing*”).

4. *Annex D (Final Drawing — Redemption in Full; Acceleration; Maturity)*. If you are demanding funds with respect to the payment of principal and interest on the Bonds in connection with a redemption in full of Bonds, payment upon acceleration of the Bonds or payment at maturity of the Bonds, in each case in accordance with the Indenture, which amount is not to be reinstated following the Drawing, your draft should be accompanied by your Annex D certification (the “*Annex D Drawing*”). Only one draft accompanied by an Annex D Drawing may be presented for payment against this Letter of Credit; upon any such presentation, no further draft may be drawn and presented hereunder.

5. *Annex E (Final Drawing — Mandatory Purchase)*. If you are demanding funds with respect to the payment of principal and interest on the Bonds in connection with a mandatory purchase of all of the Bonds in accordance with the Indenture, other than a mandatory purchase as a result of a change in interest rate mode from a weekly rate to a daily rate or *vice versa*, your draft should be accompanied by your Annex E certification (the “*Annex E Drawing*”). Only one draft accompanied by an Annex E Drawing may be presented for payment against this Letter of Credit; upon any such presentation, no further draft may be drawn and presented hereunder.

Where we have received a draft as described above, your remittance instructions and an Annex A Drawing, Annex B Drawing or Annex D Drawing prior to 3:00 p.m., New York time (hereinafter referred to as “*Local Time*”), on a Business Day (as defined below), we will make payment by 12:00 noon, Local Time, on the following Business Day. If we receive such items after 3:00 p.m., Local Time, on a Business Day, we will make payment by 12:00 noon, Local Time, on the second Business Day thereafter. Where we have received a draft as described above, your remittance instructions and an Annex C Drawing or Annex E Drawing at or prior to 12:00 noon, Local Time, on a Business Day, we will make payment by 2:45 p.m., Local Time, on the same Business Day. If we receive such items after 12:00 noon, Local Time, we will make payment by 2:45 p.m., Local Time, on the following Business Day.

Demands for payment hereunder honored by the Bank shall not, in the aggregate, exceed the Stated Amount, as the Stated Amount may have been reinstated by us as provided herein. Subject to the preceding sentence, each Drawing honored by the Bank hereunder shall *pro tanto* reduce the Stated Amount hereof, it being understood that after the effectiveness of any such reduction you shall no longer have any right to make a Drawing hereunder in respect of the amount of such principal and/or interest on the Bonds causing or corresponding to such reduction.

Upon receipt by the Bank of a certificate substantially in the form of Annex H attached hereto from you, the principal and/or interest components of the Stated Amount shall be automatically reinstated in the amounts shown on such Annex H which have been paid to the Bank.

Drafts honored by us under this Letter of Credit shall not exceed the Stated Amount available to you under this Letter of Credit, as such amount may vary from time to time. Each draft honored by us will reduce the Stated Amount available under this Letter of Credit. However, in the case of a draft or drafts accompanied by your certification substantially in the form of Annex A and presented in full compliance with the terms and conditions of this Letter of Credit, the Stated Amount of this Letter of Credit shall, on the date each draft is honored by us, automatically be reinstated by us, by an amount equal to the amount of that Drawing; after such reinstatement, the Stated Amount of this Letter of Credit shall be the same as it was immediately prior to such Drawing.

Notwithstanding anything contained herein to the contrary, this Letter of Credit shall not apply to the payment of principal and interest payable with respect to any Bonds which are held in the name of IRWD or held by you for the account of IRWD or to the payment of principal with respect to any Bonds which are held in the name of the Bank as Bank-Owned Bonds.

Each draft presented for payment against this Letter of Credit and each accompanying certification must be dated the date of its presentation to us, and may be presented only on a Business Day. As used in this Letter of Credit, "Business Day" shall mean any day that is not a Saturday, Sunday, a day on which commercial banking institutions in the State of California or the State of New York are authorized or required to close, a day on which the presentation office of the Bank for drawings hereunder is authorized or required to close or a day on which the New York Stock Exchange is closed. Drafts must be marked conspicuously "Drawn under Bank of America, N.A. Irrevocable Direct Draw Letter of Credit No. [ ]". The certifications you are required to submit to us along with your draft or drafts should be prepared either (i) in the form of a letter on your letterhead signed by your officer or (ii) in the form of a facsimile copy of such a letter sent by one of your officers to facsimile number: (800)-755-8743.

Other than the foregoing provisions for communication by facsimile copy, communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at Bank of America, N.A., One Fleet Way, PA6-580-02-30, Scranton, Pennsylvania 18507, Attention: Standby Letter of Credit Department, specifically referring to the number and date of this Letter of Credit.

If a demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you prompt notice that the purported demand was not effected in accordance with this Letter of Credit, stating the reasons therefor and that we are holding any documents at your disposal or are returning them to you, as we may elect. Upon being notified that

the purported demand was not effected in conformity with this Letter of Credit, you may attempt to correct any such nonconforming demand for payment if, and to the extent that, you as Trustee are entitled (without regard to the provisions of this sentence) and able to do so.

By paying you an amount demanded in accordance with this Letter of Credit, we make no representation as to the correctness of the amount demanded or your calculations and representations on the certificates required of you by this Letter of Credit.

This Letter of Credit shall expire at 5:00 p.m. Local Time on the date which is the earliest of (i) February 8, 2027, (ii) when any draft accompanied by your certification substantially in the form of Annex D or Annex E to this Letter of Credit is honored and paid by us, (iii) the day on which this Letter of Credit is surrendered by the Trustee to the Bank, accompanied by a certificate substantially in the form of Annex G to this Letter of Credit or (iv) 15 days after you receive our Annex I certification or, if such day is not a Business Day, on the next succeeding Business Day. Any Annex I certification will be delivered to you at the address indicated above or, if we have received a Transfer Demand in the form of Annex F, to your transferee at the address set forth in such Annex F.

Payments of Drawings under this Letter of Credit shall be made from immediately available funds of the Bank and not from any moneys provided to the Bank by IRWD or any party related to IRWD.

This Letter of Credit shall be governed by and construed in accordance with the International Standby Practices 1998, International Chamber of Commerce Publication No. 590, and, to the extent not inconsistent therewith, the laws of the State of New York, including, without limitation, the Uniform Commercial Code as in effect in the State of New York, without regard to conflict of laws.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Bonds), except only the Annexes and drafts referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such Annexes and drafts.

*[Remainder of page intentionally left blank]*



This Letter of Credit is transferable any number of times, but only in the amount of the full unutilized balance hereof and not in part. Transfer may be made to any person or entity whom you or any transferee hereunder designate as a successor trustee under the Indenture. Transfer of the available Drawing under this Letter of Credit to such transferee shall be effected by the presentation to us of this Letter of Credit accompanied by a request designating your successor in the form of Annex F (Transfer Demand) attached hereto, with the signature of the appropriate officer signing on your behalf authenticated by another one of your officers. Upon presentation, we shall forthwith effect a transfer of this Letter of Credit to your designated transferee.

Very truly yours,

BANK OF AMERICA, N.A.

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

ANNEX A

(PERIODIC INTEREST DEMAND WITH REINSTATEMENT REQUEST)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]

Bank of America, N.A.  
One Fleet Way  
Mail Code PA6-580-02-30  
Scranton, Pennsylvania 18507  
Attn: Standby Letter of Credit Department

Re: Drawing for Interest Due on Scheduled Interest Payment Date

Ladies and Gentlemen:

We refer to your Letter of Credit No. [\_\_\_\_\_] (the "*Letter of Credit*"). Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A. (the "*Trustee*" or "*we*"), hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.
2. We hereby make demand under the Letter of Credit, by our presentment of the sight draft accompanying this Certificate, for payment of \$ \_\_\_\_\_ representing accrued and unpaid interest on the Bonds with respect to a scheduled interest payment.
3. The amount of the draft accompanying this Certificate does not exceed the amount available on the date hereof to be drawn under the Letter of Credit in respect of interest accrued on the Bonds. This amount was computed in accordance with the terms and conditions of the Bonds and the Indenture. The date specified in paragraph 4 below is not earlier than the date upon which the payment hereby demanded is required to be made under the terms and conditions of the Bonds and the Indenture.
4. We request that the payment hereby demanded be made no later than 12:00 noon, New York time ("*Local Time*"), on \_\_\_\_\_ [if this certificate and an accompanying draft are delivered at or before 12:00 noon, Local Time, then insert a date which is no earlier than the next Business Day; if this certificate and an accompanying draft are delivered after 3:00 p.m., Local Time, insert a date which is a Business Day and is no earlier than the second succeeding Business Day following the date those documents are delivered]. Unless otherwise agreed to in a writing signed by you and us, please [deposit/wire transfer] the amount hereby demanded to our account number [insert account number] with [insert name and address of banking institution to receive funds].
5. Please reinstate the Letter of Credit by the amount specified in paragraph 2 of this

Certificate in accordance with the terms set forth in the Letter of Credit; following such reinstatement, the Stated Amount shall be the same as it was immediately prior to this Drawing.

6. The amount demanded hereby is not being made in respect of any Bonds currently registered in the name of or held by the Trustee for the account of the Bank or held of record by IRWD or by the Trustee for the account of IRWD.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as Trustee as of  
The \_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Very truly yours,

THE BANK OF NEW YORK MELLON TRUST COMPANY,  
N.A., as Trustee

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

**ANNEX B**

**(PRINCIPAL AND INTEREST DEMAND WITHOUT REINSTATEMENT REQUEST)**

**BANK OF AMERICA, N.A.**

**IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]**

Bank of America, N.A.  
One Fleet Way  
Mail Code PA6-580-02-30  
Scranton, Pennsylvania 18507  
Attn: Standby Letter of Credit Department

Re: Drawing for Partial Redemption of the Bonds

Ladies and Gentlemen:

We refer to your Letter of Credit No. [\_\_\_\_\_] (the "*Letter of Credit*"). Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A. (the "*Trustee*" or "*we*"), hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.
2. We hereby make demand under the Letter of Credit for payment of \$\_\_\_\_\_, of which \$\_\_\_\_\_ shall be with respect to the principal of certain of the Bonds, and \$\_\_\_\_\_ shall be with respect to interest to be paid on the Bonds, which total amount is due with respect to a partial redemption of Bonds pursuant to the Indenture.
3. The amount of the draft accompanying this Certificate does not exceed the amount available on the date hereof to be drawn under the Letter of Credit and was computed in accordance with the terms and conditions of the Bonds and the Indenture. The date specified in paragraph 4 below is not earlier than the date upon which the payment hereby demanded is required to be made under the terms and conditions of the Bonds and the Indenture.
4. We request that the payment hereby demanded be made no later than 12:00 noon, New York time ("*Local Time*"), on \_\_\_\_\_ [if this certificate and an accompanying draft are delivered at or before 3:00 p.m., Local Time, insert a date which is no earlier than the next Business Day; if this certificate and an accompanying draft are delivered after 3:00 p.m., Local Time, insert a date which is a Business Day and is no earlier than the second succeeding Business Day following the date those documents are delivered]. Unless otherwise agreed to in a writing signed by you and us, please [deposit/wire transfer] the amount hereby demanded to our account number \_\_\_\_\_ [insert account number] with \_\_\_\_\_ [insert name and address of banking institution to receive funds].

B-1

5. Upon application of the amount with respect to principal of the Bonds set forth in paragraph 2 of this Certificate, there shall be outstanding \$\_\_\_\_\_ principal amount of the Bonds and the Stated Amount of the Letter of Credit shall be \$\_\_\_\_\_.

6. The amount demanded hereby is not being made in respect of any Bonds currently registered in the name of or held by the Trustee for the account of the Bank or held of record by IRWD or by the Trustee for the account of IRWD.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as Trustee as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Very truly yours,

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

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

## ANNEX C

## (PURCHASE DEMAND)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]

Bank of America, N.A.  
 One Fleet Way  
 Mail Code PA6-580-02-30  
 Scranton, Pennsylvania 18507  
 Attn: Standby Letter of Credit Department

Re: Drawing for Purchase of Bonds

Ladies and Gentlemen:

We refer to your Letter of Credit No. [\_\_\_\_\_] (the "*Letter of Credit*"). Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A. (the "*Trustee*" or "*we*"), hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.
2. We hereby make demand for payment of \$ \_\_\_\_\_ of which \$ \_\_\_\_\_ shall be with respect to the principal of the Bonds, and \$ \_\_\_\_\_ shall be with respect to interest, if any, on the Bonds.
3. This Drawing is being made as a result of the purchase of Bonds at the option of the holder thereof or a mandatory purchase of the Bonds as a result of a change in interest rate mode from a weekly rate to a daily rate or *vice versa*.
4. The amount of the draft accompanying this Certificate does not exceed the amount available on the date hereof to be drawn under the Letter of Credit and was computed in accordance with the terms and conditions of the Bonds and the Indenture. The date specified in paragraph 5 below is not earlier than the date upon which the payment hereby demanded is required to be made under the terms and conditions of the Bonds and the Indenture.
5. The executed original of this certificate and the accompanying draft is presented to you at or prior to 12:00 noon, New York time ("*Local Time*") on a Business Day, and we request that the payment hereby demanded be made no later than 2:45 p.m., Local Time, on the same Business Day. If the executed original (or a facsimile copy thereof) of this certificate and the accompanying draft is presented to you after 12:00 noon, Local Time, on a Business Day, we request that the payment demanded be made no later than 2:45 p.m., Local Time, on the next succeeding Business Day. Unless otherwise agreed to in a writing signed by you and us, please [deposit/wire transfer] the amount hereby demanded to our account number \_\_\_\_\_ [insert account number] with \_\_\_\_\_ [insert name and address of banking institution to receive funds].
6. The amount demanded hereby is not being made in respect of any Bonds currently registered in the name of or held by the Trustee for the account of the Bank or held of record by IRWD or by the Trustee for the account of IRWD. We hereby certify that Bonds in an aggregate

outstanding principal amount equal to the amount demanded hereby with respect to principal shall be recorded as Bank-Owned Bonds on the bond register or, if the Bonds are held in a book-entry system, in accordance with the requirements of the Custodian Agreement dated as of February 1, 2024, among The Bank of New York Mellon Trust Company, N.A. (as custodian), IRWD and Bank of America, N.A.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as Trustee as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Very truly yours,

THE BANK OF NEW YORK MELLON TRUST COMPANY,  
N.A., as Trustee

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

## ANNEX D

(FINAL DRAWING - REDEMPTION IN FULL; ACCELERATION; MATURITY)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]

Bank of America, N.A.  
 One Fleet Way  
 Mail Code PA6-580-02-30  
 Scranton, Pennsylvania 18507  
 Attn: Standby Letter of Credit Department

Re: Final Drawing and Termination

Ladies and Gentlemen:

We refer to your Letter of Credit No. [\_\_\_\_\_] (the “*Letter of Credit*”). Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A. (the “*Trustee*” or “*we*”), hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.
2. We hereby make demand for payment of \$\_\_\_\_\_ of which \$\_\_\_\_\_ shall be with respect to the principal of the Bonds, and \$\_\_\_\_\_ shall be with respect to interest, if any, on the Bonds.
3. This Drawing is being made as a result of the maturity, acceleration or redemption of all outstanding Bonds in accordance with the terms and conditions of the Bonds and the Indenture.
4. The amount of the draft accompanying this Certificate does not exceed the amount available on the date hereof to be drawn under the Letter of Credit. This amount was computed in accordance with the terms and conditions of the Bonds and the Indenture. The date specified in paragraph 5 below is not earlier than the date upon which the payment hereby demanded is required to be made under the terms and conditions of the Bonds and the Indenture.
5. We request that the payment hereby demanded be made no later than 12:00 noon, New York time (“*Local Time*”), on \_\_\_\_\_ [if this certificate and an accompanying draft are delivered at or before 3:00 p.m., Local Time, insert a date which is no earlier than the next Business Day; if this certificate and an accompanying draft are delivered after 3:00 p.m., Local Time, insert a date which is a Business Day and is no earlier than the second succeeding Business Day following the date those documents are delivered]. Unless otherwise agreed to in a writing signed by you and us, please [deposit/wire transfer] the amount hereby demanded to our account number \_\_\_\_\_ [insert account number] with \_\_\_\_\_ [insert name and address of banking institution and address of banking institution to receive funds].



6. The amount demanded hereby is not being made in respect of any Bonds currently registered in the name of or held by the Trustee for the account of the Bank or held of record by IRWD or by the Trustee for the account of IRWD.

7. This is our final drawing under the Letter of Credit. Upon your payment of the amount demanded hereby, the Letter of Credit will terminate.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as Trustee as of  
The \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Very truly yours,

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

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

D-2

ANNEX E

(FINAL DRAWING - MANDATORY PURCHASE)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]

Bank of America, N.A.  
One Fleet Way  
Mail Code PA6-580-02-30  
Scranton, Pennsylvania 18507  
Attn: Standby Letter of Credit Department

Re: Final Drawing and Termination

Ladies and Gentlemen:

We refer to your Letter of Credit No. [\_\_\_\_\_] (the “*Letter of Credit*”). Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A. (the “*Trustee*” or “we”), hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.
2. We hereby make demand for payment of \$ \_\_\_\_\_ of which \$ \_\_\_\_\_ shall be with respect to the principal of the Bonds, and \$ \_\_\_\_\_ shall be with respect to interest, if any, on the Bonds.
3. This Drawing is being made as a result of the mandatory purchase of all outstanding Bonds in accordance with the terms and conditions of the Bonds and the Indenture, other than a mandatory purchase in connection with a change in interest rate mode of the Bonds from a weekly rate to a daily rate and *vice versa*.
4. The amount of the draft accompanying this Certificate does not exceed the amount available on the date hereof to be drawn under the Letter of Credit. This amount was computed in accordance with the terms and conditions of the Bonds and the Indenture. The date specified in paragraph 5 below is not earlier than the date upon which the payment hereby demanded is required to be made under the terms and conditions of the Bonds and the Indenture.
5. The executed original of this certificate and the accompanying draft is presented to you at or prior to 12:00 noon, New York time (“*Local Time*”) on a Business Day, and we request that the payment hereby demanded be made no later than 2:45 p.m., Local Time, on the same Business Day. If the executed original (or a facsimile copy thereof) of this certificate and the accompanying draft is presented to you after 12:00 noon, Local Time, on a Business Day, we request that the payment demanded be made no later than 2:45 p.m., Local Time, on the next succeeding Business Day. Unless otherwise agreed to in a writing signed by you and us, please [deposit/wire transfer]

the amount hereby demanded to our account number \_\_\_\_\_ [insert account number] with \_\_\_\_\_ [insert name and address of banking institution to receive funds].

6. The amount demanded hereby is not being made in respect of any Bonds currently registered in the name of or held by the Trustee for the account of the Bank or held of record by IRWD or by the Trustee for the account of IRWD. We hereby certify that Bonds in an aggregate outstanding principal amount equal to the amount demanded hereby with respect to principal shall be recorded as Bank-Owned Bonds on the bond register or, if the Bonds are held in a book-entry system, in accordance with the requirements of the Custodian Agreement dated as of February 1, 2024, among The Bank of New York Mellon Trust Company, N.A. (as custodian), IRWD and Bank of America, N.A.

7. This is our final drawing under the Letter of Credit. Upon your payment of the amount demanded hereby, the Letter of Credit will terminate.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as Trustee as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Very truly yours,

THE BANK OF NEW YORK MELLON TRUST COMPANY,  
N.A., as Trustee

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

ANNEX F

(TRANSFER DEMAND)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [ ]

Bank of America, N.A.  
One Fleet Way  
Mail Code PA6-580-02-30  
Scranton, Pennsylvania 18507  
Attn: Standby Letter of Credit Department

Re: Instruction to Transfer Letter of Credit No. [ ]

Ladies and Gentlemen:

For value received, the undersigned beneficiary (the “*Transferor*”) hereby irrevocably transfers to:

(Name of Transferee and Address)

(the “*Transferee*”) all rights of the Transferor with respect to the above-referenced Letter of Credit, including the right to draw under said Letter of Credit in the amount of the full unutilized balance thereof. Said Transferee has succeeded the Transferor as Trustee under that certain Indenture of Trust dated as of February 1, 2024 by and between Irvine Ranch Water District (“*IRWD*”) and The Bank of New York Mellon Trust Company, N.A., as Trustee (the “*Indenture*”) with respect to the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2 (the “*Bonds*”), issued by IRWD.

By virtue of this transfer, the Transferee shall have the sole rights as beneficiary of said Letter of Credit, including sole rights relating to any past or future amendments thereof, whether increases or extensions or otherwise. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the Transferor.

By its signature below, the Transferee acknowledges that it has duly succeeded the Transferor as Trustee under the Indenture, and agrees to be bound by the terms of the Indenture as if it were the original Trustee thereunder.

*[Remainder of page intentionally left blank.]*

The Letter of Credit is returned herewith, and we ask you to endorse the transfer on the reverse thereof and to forward it directly to the Transferee with your customary notice of transfer.

Very truly yours,

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

By: \_\_\_\_\_  
[Insert name and title of authorized officer]

SIGNATURE OF THE ABOVE OFFICER,  
DULY AUTHORIZED TO ACT ON  
BEHALF THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A.,  
AUTHENTICATED BY:

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

Acknowledged by  
[insert name of Transferee]  
as Transferee and successor Trustee

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

ANNEX G

(SURRENDER CERTIFICATE)

**BANK OF AMERICA, N.A.**

**IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]**

Bank of America, N.A.  
One Fleet Way  
Mail Code PA6-580-02-30  
Scranton, Pennsylvania 18507  
Attn: Standby Letter of Credit Department

Ladies and Gentlemen:

We refer to your Letter of Credit No. [\_\_\_\_\_] (the “*Letter of Credit*”). Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A. (the “*Trustee*” or “*we*”), hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.
2. We hereby surrender the attached Letter of Credit to you in accordance with the terms of the Indenture.
3. The Letter of Credit is hereby terminated in accordance with its terms.
4. No payment is demanded of you in connection with this surrender of the Letter of Credit.

*[Remainder of page intentionally left blank.]*

IN WITNESS WHEREOF, we have executed and delivered this certificate as Trustee as of  
the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Very truly yours,

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

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

ANNEX H

(TRUSTEE CERTIFICATE)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]

Bank of America, N.A.  
One Fleet Way  
Mail Code PA6-580-02-30  
Scranton, Pennsylvania 18507  
Attn: Standby Letter of Credit Department

Re: Irrevocable Letter of Credit No. [\_\_\_\_\_]

Ladies and Gentlemen:

The undersigned, a duly authorized officer of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (the “Trustee”), hereby notifies Bank of America, N.A. (the “Bank”), with reference to Letter of Credit No. [\_\_\_\_\_] (the “Letter of Credit”; terms defined therein and not otherwise defined herein shall have the meanings set forth in the Letter of Credit) issued by the Bank in favor of the Trustee as follows:

1. \_\_\_\_\_ is the Remarketing Agent under the Indenture for the holders of the Bonds.
2. The Trustee has been advised by IRWD or the Remarketing Agent that the amount of \$\_\_\_\_\_ paid to the Bank today by IRWD or the Remarketing Agent on behalf of IRWD is a payment made to reimburse the Bank, pursuant to the Reimbursement Agreement dated as of February 1, 2024 (the “Reimbursement Agreement”), by and between IRWD and the Bank, for amounts drawn under the Letter of Credit pursuant to an Annex C Drawing.
3. Of the amount referred to in paragraph 2, \$\_\_\_\_\_ represents the aggregate principal amount of Bank-Owned Bonds resold or to be resold on behalf of the Borrower.
4. Of the amount referred to in paragraph 2, \$\_\_\_\_\_ represents accrued and unpaid interest on such Bank-Owned Bonds.

[Remainder of page intentionally left blank.]



IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of this  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

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

ANNEX I

(NOTICE OF EVENT OF DEFAULT UNDER REIMBURSEMENT AGREEMENT)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]

To: Beneficiary under our Letter of Credit No. [\_\_\_\_\_] (the “*Letter of Credit*”)

Re: Event of Default under Reimbursement Agreement

Ladies and Gentlemen:

We hereby certify to you that:

1. An Event of Default has occurred under the Reimbursement Agreement dated as of February 1, 2024, between Bank of America, N.A. and Irvine Ranch Water District (the “*Reimbursement Agreement*”; terms defined therein and not otherwise defined herein shall have the meanings set forth in the Reimbursement Agreement).

2. Pursuant to the Indenture there is to be a mandatory purchase of the Bonds or an acceleration of the Bonds upon your receipt of notice from the Bank of the occurrence and continuance of an Event of Default under the Reimbursement Agreement and request for purchase of the Bonds or acceleration of the Bonds, as the case may be.

3. FOR MANDATORY PURCHASE INCLUDE THE FOLLOWING STATEMENT: [The Bank hereby requests you to give notice to all Bond holders of the mandatory purchase of the Bonds immediately and, in connection therewith, to draw on the Letter of Credit to pay for such mandatory purchase.] FOR ACCELERATION OF THE BONDS INCLUDE THE FOLLOWING STATEMENT: [The Bank hereby instructs you to accelerate all outstanding Bonds.]

4. FOR MANDATORY PURCHASE INCLUDE THE FOLLOWING STATEMENT: Unless it expires earlier in accordance with its terms, the Letter of Credit will expire on \_\_\_\_\_, \_\_\_\_\_ [insert date that is 15 days from beneficiary's receipt of this notice or, if such day is not a Business Day, the next succeeding Business Day.]

IN WITNESS WHEREOF, we have executed and delivered this certificate as of this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

Very truly yours,

BANK OF AMERICA, N.A.

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

February 8, 2024

Irvine Ranch Water District  
Series 2011A-2 Bonds  
Fee Letter

Irvine Ranch Water District  
15600 Sand Canyon Avenue  
Irvine, California 92718  
Attention: Treasurer

Ladies and Gentlemen:

Reference is made to that certain Reimbursement Agreement dated as of February 1, 2024 (as the same may be amended, modified or supplemented from time to time, the “*Agreement*”), between Irvine Ranch Water District (“*you*” or “*IRWD*”) and Bank of America, N.A. (“*BANA*” or the “*Bank*”), relating to the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2. Any capitalized term below that is defined in the Agreement shall have the same meaning when used herein. This letter is the Fee Letter described in the Agreement.

In order to induce BANA to issue the Letter of Credit dated the date hereof, IRWD agrees to make the following payments at the following times:

(1) IRWD agrees to pay to the Bank on April 1, 2024, for the period commencing on February 8, 2024 to and including March 31, 2024, and in arrears on the first Business Day of each July, October, January and April until the Termination Date and on the Termination Date, a letter of credit fee (the “*Letter of Credit Fee*”) on the daily average undrawn Stated Amount of the Letter of Credit in effect from time to time from the date of this Fee Letter to and including the Termination Date, at the Letter of Credit Fee Rate. As used herein, “*Letter of Credit Fee Rate*” means the fee rate per annum set forth in the grid below opposite Level 1; provided, however, if any Rating Agency downgrades its Rating to a Level less than Level 1, the applicable “*Letter of Credit Fee Rate*” shall be the rate per annum set forth in the grid below opposite the Level that corresponds to (i) the Level that contains all of the Ratings in the event the Ratings fall within a single Level, (ii) the Level that contains two Ratings in the event the Ratings from three Rating Agencies fall within two Levels, (iii) the second lowest Level in the event the Ratings fall within three Levels or (iv) the Level that contains the lower rating in the event that IRWD has determined to have Ratings assigned by only two Rating Agencies and the Ratings fall within different Levels (it being understood that Level 1 is the highest Level):

LEVEL	MOODY’S RATING	S&P RATING	FITCH RATING	LETTER OF CREDIT FEE RATE
Level 1:	Aa2 or above	AA or above	AA or above	0.320%

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	LETTER OF CREDIT FEE RATE
Level 2:	Aa3	AA-	AA-	0.345%
Level 3:	A1	A+	A+	0.445%
Level 4:	A2	A	A	0.595%
Level 5:	A3	A-	A-	0.745%
Level 6:	Baa1	BBB+	BBB+	0.995%
Level 7:	Baa2	BBB	BBB	1.245%
Level 8:	Baa3	BBB-	BBB-	1.745%

Notwithstanding the foregoing, the Letter of Credit Fee Rate shall be increased by 1.50% per annum from the Letter of Credit Fee Rate in effect immediately prior thereto, (a) in the event that (i) any Rating is withdrawn, suspended or otherwise unavailable from any Rating Agency (other than as a result of IRWD's determination for reasons other than credit-related reasons or an imminent withdrawal, suspension or downgrade to reduce the number of Rating Agencies assigning Ratings from three to two) or (ii) only one Rating Agency is providing a Rating, and/or (b) upon the occurrence and during the continuance of an Event of Default other than an Event of Default of the type described in clauses (i) and (ii) of Section 7.1(n) of the Agreement. Any change in the Letter of Credit Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to the Ratings above are references to the rating categories of the Rating Agencies as presently determined by the respective Rating Agencies and in the event of adoption of any new or changed rating system by any Rating Agency, the Ratings from the applicable Rating Agency shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. BANA and IRWD acknowledge that as of the date hereof the Letter of Credit Fee Rate is that specified above for Level 1.

(2) IRWD may terminate the Letter of Credit without the payment of a termination fee in accordance with the terms and provisions of the Letter of Credit and Section 2.5 of the Agreement.

(3) A draw fee of \$250 for each drawing under the Letter of Credit, payable on each Business Day on which the Bank honors the amount of any such drawing or, if IRWD so elects, payable quarterly in arrears along with the Letter of Credit Fee.

(4) The Bank's customary courier fees and wire transfer fees payable promptly following IRWD's receipt of an invoice therefor.

(5) Upon each transfer of the Letter of Credit in accordance with its terms, a transfer commission equal to \$2,500.

(6) (A) At the time any non-material amendment, waiver, supplement or restatement of the Agreement is requested or (B) in connection with any Bank consent required for any non-material amendment, waiver, supplement or restatement of any Financing Document (other than the Agreement) at the time such consent is sought, a fee of \$2,500 plus reasonable attorneys' fees and expenses, which fee shall be earned and payable whether or not any such amendment, waiver, supplement or restatement is executed or consent granted. Fees for material amendments, waivers, supplements, restatements, supplements and consents shall be negotiated at the time sought.

All amounts paid pursuant to this Fee Letter shall be non-refundable. Computations of the Letter of Credit Fee shall be made on the basis of a 360-day year and actual days elapsed. All amounts paid pursuant to this Fee Letter shall be paid in the manner and to the account set forth in the Agreement.

This Fee Letter may not be amended or waived except by an instrument in writing signed by BANA and you.

The provisions of Sections 8.9 and 8.10 of the Agreement shall be incorporated by this reference into this Fee Letter as if such provisions were set forth in their entirety except that references to other agreements or "this Agreement" shall mean this Fee Letter and references to "hereunder" or "hereof" shall mean under this Fee Letter or of this Fee Letter.

This Fee Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Fee Letter by electronic transmission shall be effective as delivery of a manually executed counterpart hereof.

This Fee Letter is delivered to you on the understanding that neither this Fee Letter nor any of its terms shall be disclosed, directly or indirectly, to any other person except (a) to your officers, directors, employees, accountants, attorneys, agents and advisors who are directly involved in the consideration of this matter on a confidential and need-to-know basis and for whom you shall be responsible for any breach by any of them of this confidentiality undertaking or (b) under compulsion of law (whether by interrogatory, subpoena, civil investigative demand or otherwise) or by order of any court or governmental or regulatory body, provided that, to the extent permitted, you shall give us reasonable prior notice of such disclosure.

*[Remainder of page intentionally left blank.]*

Please confirm that the foregoing is our mutual understanding by signing and returning to BANA an executed counterpart of this Fee Letter. This Fee Letter shall become effective as of the date first above referenced upon our receipt of an executed counterpart of this Fee Letter from you.

Very truly yours,

BANK OF AMERICA, N.A.

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

Name: Grace Barvin

Title: Senior Vice President

Accepted and agreed to  
as of the date first  
written above by:

IRVINE RANCH WATER DISTRICT

By: \_\_\_\_\_  
Name: Douglas J. Reinhart  
Title: President

By: \_\_\_\_\_  
Name: Leslie Bonkowski  
Title: Secretary



RESOLUTION NO. 2024-2

RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE IRVINE RANCH WATER DISTRICT

APPROVING THE REMARKETING STATEMENT RELATING TO  
UNSCHEDULED MANDATORY TENDERS OF THE BONDS OF IRVINE RANCH WATER  
DISTRICT (REFUNDING SERIES 2011A-1 AND REFUNDING SERIES 2011A-2),  
AUTHORIZING AMENDMENTS TO THE RELATED REMARKETING AGREEMENTS  
AND INDENTURES OF TRUST, AUTHORIZING REIMBURSEMENT AGREEMENTS  
FOR LETTERS OF CREDIT, AND AUTHORIZING THE EXECUTION AND DELIVERY  
OF ALL RELATED DOCUMENTS

The Irvine Ranch Water District (“**IRWD**”) previously issued the “Bonds of Irvine Ranch Water District, Refunding Series 2011A-1” (the “**Series 2011A-1 Bonds**”) and “Bonds of Irvine Ranch Water District, Refunding Series 2011A-2” (the “**Series 2011A-2 Bonds**” and, together with the Series 20011A-1 Bonds, the “**Series 2011A Bonds**”).

In Resolution No. 2011-10, adopted by IRWD authorizing and providing for the issuance of the Series 2011A Bonds, the Treasurer of IRWD was authorized, when the Series 2011A Bonds of either or both series shall be in an index tender mode, for all tender periods, to do or cause to be done any and all of the following, if and to the extent required or permitted by the applicable Indenture: to require an unscheduled mandatory tender and establish the date thereof, to rescind an unscheduled mandatory tender, to determine the scheduled mandatory tender date and call protection date for each ensuing tender period, and on behalf of IRWD in connection with all of the foregoing to give, exercise, make and deliver any notices, directions, elections and requests required or permitted in the applicable Indenture or remarketing agreement to be given, exercised, made or delivered by IRWD.

Pursuant to that authority, the Treasurer has determined that an unscheduled mandatory tender shall be effected for each series of the Bonds on or about February 8, 2024 or such other date as may be determined by the Treasurer (the “**Unscheduled Mandatory Tenders**”).

Given the current rate environment, the Treasurer has also recommended that the Series 2011A Bonds be remarketed as variable rate demand obligations ("**variable rate mode**"), in order to achieve savings for the District. Remarketing the Series 2011A Bonds in the variable rate mode requires IRWD to amend the two related Remarketing Agreements with its remarketing agent, Goldman Sachs & Co. LLC, amend or supplement the two related Indentures of Trust with the Trustee, Bank of New York Mellon Trust Company, N.A., and enter into Reimbursement Agreements with a letter of credit provider, Bank of America, N.A., for each series.

This Board of Directors desires to remarket the debt in a variable rate mode, amend the Remarketing Agreements, amend or supplement the Indentures of Trust, enter into Reimbursement Agreements to facilitate letters of credit to provide a liquidity facility for the

payment of the Series 2011A Bonds, and approve the form of the remarketing statement (the “**Remarketing Statement**”) to be used in connection with the remarketing of the respective series of the Series 2011A Bonds upon the purchase thereof pursuant to the Unscheduled Mandatory Tenders, and authorize the Treasurer to execute and deliver all related documents in order to facilitate the remarketing.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF IRWD DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. The Remarketing Statement relating to the Unscheduled Mandatory Tenders of the respective series of the Series 2011A Bonds, to be dated the date determined by the Treasurer and in substantially the form presented to the Board of Directors at this meeting, is hereby approved with such changes thereto as the Treasurer with the concurrence of the President shall approve (such approval and concurrence to be conclusively evidenced by execution and delivery thereof). The Board of Directors hereby approves the use of the Remarketing Statement by the remarketing agent for the respective series, including delivery of the Remarketing Statement in electronic form, in connection with the remarketing of the Series 2011A Bonds pursuant to the Unscheduled Mandatory Tenders, and the Board of Directors hereby further approves the use by the remarketing agent of any supplements or amendments to the Remarketing Statement, including delivery of any such supplements or amendments in electronic form, which the Treasurer shall determine are necessary so that such Remarketing Statement does not include any untrue statement of a material fact and does not omit to state a material fact necessary to make the statement therein not misleading. The Treasurer of IRWD is hereby authorized and directed to execute the Remarketing Statement and any amendments or supplements thereto, in the name and on behalf of IRWD and thereupon to cause the Remarketing Statement and any such amendments or supplements to be delivered to the respective remarketing agent.

Section 2. The distribution of the Remarketing Statement, inclusive of the above-authorized changes, is hereby authorized in connection with the remarketing of the Series 2011A Bonds pursuant to the Unscheduled Mandatory Tenders.

Section 3. The amendment of the Remarketing Agreements between IRWD and Goldman Sachs, in the form of Amendment No. 1 for the Series 2011A-1 Bonds and Amendment No. 2 for the Series 2011A-2 Bonds, to be dated the date determined by the Treasurer and in substantially the form presented to the Board of Directors at this meeting, is hereby approved with such changes thereto as the Treasurer with the concurrence of the President shall approve.

Section 4. The amendment of or supplement to the Indentures of Trust with the Trustee, Bank of New York Mellon Trust Company, N.A., for each of the Series 2011A Bonds, to be dated the date determined by the Treasurer and in substantially the form presented to the Board of Directors at this meeting, is hereby approved with such changes thereto as the Treasurer with the concurrence of the President shall approve.

Section 5. The Reimbursement Agreements with letter of credit provider, Bank of America, N.A., for each of the Series 2011A Bonds, to be dated the date determined by the

Treasurer and in substantially the form presented to the Board of Directors at this meeting, is hereby approved with such changes thereto as the Treasurer with the concurrence of the President shall approve.

Section 6. The President, the Treasurer, the Secretary, and each other officer of IRWD, acting singly, is hereby authorized and directed to execute and deliver any and all documents and instruments, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution.

Section 7. This resolution takes effect immediately upon its adoption.

ADOPTED, SIGNED AND APPROVED on January 22, 2024.

\_\_\_\_\_  
President  
IRVINE RANCH WATER DISTRICT

\_\_\_\_\_  
Secretary  
IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:  
Hanson Bridgett LLP

By: \_\_\_\_\_  
General Counsel

RESOLUTION NO. 2024-2

RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE IRVINE RANCH WATER DISTRICT

APPROVING THE REMARKETING STATEMENT RELATING TO MODE CONVERSION  
AND UNSCHEDULED MANDATORY TENDERS OF  
THE BONDS OF IRVINE RANCH WATER DISTRICT,  
REFUNDING SERIES 2011A-1 AND REFUNDING SERIES 2011A-2,  
AUTHORIZING AMENDMENTS TO THE RELATED REMARKETING AGREEMENTS  
AND SUPPLEMENTS TO THE INDENTURES OF TRUST, AUTHORIZING  
REIMBURSEMENT AGREEMENTS FOR LETTERS OF CREDIT, AND  
AUTHORIZING THE EXECUTION AND DELIVERY OF ALL RELATED DOCUMENTS

A. The Irvine Ranch Water District (“**IRWD**”) previously issued the “Bonds of Irvine Ranch Water District, Refunding Series 2011A-1” (the “**Series 2011A-1 Bonds**”) and the “Bonds of Irvine Ranch Water District, Refunding Series 2011A-2” (the “**Series 2011A-2 Bonds**”) and, together with the Series 2011A-1 Bonds, the “**Series 2011A Bonds**”).

B. In Resolution No. 2011-10, adopted by IRWD authorizing and providing for the issuance of the Series 2011A Bonds, the Treasurer of IRWD (the “**Treasurer**”) was authorized, when the Series 2011A Bonds of either or both series shall be in an index tender mode, for all tender periods, to do or cause to be done any and all of the following, if and to the extent required or permitted by the applicable Indenture: to require an unscheduled mandatory tender and establish the date thereof, to rescind an unscheduled mandatory tender, and on behalf of IRWD in connection with all of the foregoing to give, exercise, make and deliver any notices, directions, elections and requests required or permitted in the applicable Indenture (as defined below) or Remarketing Agreement (as defined below) to be given, exercised, made or delivered by IRWD.

C. Pursuant to that authority, the Treasurer has determined that an unscheduled mandatory tender shall be effected for each series of the Series 2011A Bonds on or about February 8, 2024 or such other date as may be determined by the Treasurer (the “**Unscheduled Mandatory Tenders**”).

D. Given the current rate environment, the Treasurer has also recommended that the Series 2011A Bonds be converted to and remarketed as variable rate demand obligations (“**variable rate mode**”), in order to achieve savings for the District. Remarketing the Series 2011A Bonds in a variable rate mode or modes requires IRWD to:

(i) amend the Remarketing Agreement, dated as of April 1, 2011, by and between IRWD and Goldman Sachs & Co. LLC (the “**Remarketing Agent**”), related to the Series 2011A-1 Bonds by executing Amendment No. 1 to Remarketing Agreement, dated on or about January 29, 2024 (the “**Amendment No. 1 to Series 2011A-1 Bonds Remarketing Agreement**”), by and between IRWD and the Remarketing Agent;

(ii) amend the Remarketing Agreement, dated as of April 1, 2011, as amended by Amendment No. 1 to Remarketing Agreement, dated January 30, 2019, each by and between IRWD and the Remarketing Agent, related to the Series 2011A-2 Bonds by executing Amendment No. 2 to Remarketing Agreement, dated on or about January 29, 2024 (the **“Amendment No. 2 to Series 2011A-2 Bonds Remarketing Agreement”**), by and between IRWD and the Remarketing Agent;

(iii) supplement and amend the Indenture of Trust, dated as of April 1, 2011, as amended by the First Supplemental Indenture of Trust, dated as of February 1, 2014, and the Second Supplemental Indenture of Trust, dated as of April 1, 2020, each by and between IRWD and The Bank of New York Mellon Trust Company, N.A. (the **“Trustee”**), related to the Series 2011A-1 Bonds by executing the Third Supplemental Indenture of Trust, dated as of February 1, 2024 (the **“Series 2011A-1 Bonds Third Supplemental Indenture”**), by and between IRWD and the Trustee;

(iv) supplement and amend the Indenture of Trust, dated as of April 1, 2011, as amended by the First Supplemental Indenture of Trust, dated as of February 1, 2014, and the Second Supplemental Indenture of Trust, dated as of April 1, 2020, each by and between IRWD and the Trustee, related to the Series 2011A-2 Bonds by executing the Third Supplemental Indenture of Trust, dated as of February 1, 2024 (the **“Series 2011A-2 Bonds Third Supplemental Indenture”**), by and between IRWD and the Trustee;

(v) execute and deliver the Reimbursement Agreement, dated as of February 1, 2024 (the **“Series 2011A-1 Bonds Reimbursement Agreement”**), between IRWD and Bank of America, N.A. (the **“Bank”**), related to the Series 2011A-1 Bonds;

(vi) execute and deliver the Reimbursement Agreement, dated as of February 1, 2024 (the **“Series 2011A-2 Bonds Reimbursement Agreement”**), between IRWD and the Bank, related to the Series 2011A-2 Bonds;

(vii) execute and deliver the Fee Letter, dated on or about February 8, 2024 (the **“Series 2011A-1 Bonds Fee Letter”**), from the Bank and accepted and agreed to by IRWD, related to the Series 2011A-1 Bonds; and

(viii) execute and deliver the Fee Letter, dated on or about February 8, 2024 (the **“Series 2011A-2 Bonds Fee Letter”**), from the Bank and accepted and agreed to by IRWD, related to the Series 2011A-2 Bonds.

E. This Board of Directors desires to remarket the debt in a variable rate mode or modes, amend the Remarketing Agreements, supplement and amend the Indentures, enter into the Reimbursement Agreements and Fee Letters to facilitate the issuance of letters of credit by the Bank to provide credit and liquidity support to the Series 2011A Bonds, and approve the form of the remarketing statement (the **“Remarketing Statement”**) to be used in connection with the remarketing of the Series 2011A Bonds upon the purchase thereof pursuant to the Unscheduled Mandatory Tenders, and authorize the Treasurer to execute and deliver all related documents in order to facilitate the remarketing and mode conversion.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF IRWD DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Approval of Remarketing Statement. The Remarketing Statement relating to the Unscheduled Mandatory Tenders of the Series 2011A Bonds, to be dated the date determined by the Treasurer and in substantially the form presented to the Board of Directors at this meeting, is hereby approved with such changes thereto as the Treasurer with the concurrence of the President shall approve (such approval and concurrence to be conclusively evidenced by execution and delivery thereof). The Board of Directors hereby approves the use of the Remarketing Statement by the Remarketing Agent, including delivery of the Remarketing Statement in electronic form, in connection with the remarketing of the Series 2011A Bonds in a variable rate mode or modes and the Unscheduled Mandatory Tenders, and the Board of Directors hereby further approves the use by the Remarketing Agent of any supplements or amendments to the Remarketing Statement, including delivery of any such supplements or amendments in electronic form, which the Treasurer shall determine are necessary so that such Remarketing Statement does not include any untrue statement of a material fact and does not omit to state a material fact necessary to make the statement therein not misleading. The Treasurer is hereby authorized and directed to execute the Remarketing Statement and any amendments or supplements thereto, in the name and on behalf of IRWD and thereupon to cause the Remarketing Statement and any such amendments or supplements to be delivered to the Remarketing Agent.

Section 2. Distribution of Remarketing Statement. The distribution of the Remarketing Statement, inclusive of the above-authorized changes, is hereby authorized in connection with the remarketing of the Series 2011A Bonds pursuant to the Unscheduled Mandatory Tenders.

Section 3. Amendments to Remarketing Agreements. The execution and delivery of the Amendment No. 1 to Series 2011A-1 Bonds Remarketing Agreement and the Amendment No. 2 to Series 2011A-2 Bonds Remarketing Agreement, each to be dated the date determined by the Treasurer and in substantially the forms presented to the Board of Directors at this meeting, is hereby approved with such changes thereto as the Treasurer with the concurrence of the President shall approve (such approval and concurrence to be conclusively evidenced by the execution and delivery thereof).

Section 4. Supplemental Indentures. The execution and delivery of the Series 2011A-1 Bonds Third Supplemental Indenture and the Series 2011A-2 Bonds Third Supplemental Indenture, each to be dated the date determined by the Treasurer and in substantially the forms presented to the Board of Directors at this meeting, is hereby approved with such changes thereto as the Treasurer with the concurrence of the President shall approve (such approval and concurrence to be conclusively evidenced by the execution and delivery thereof).

Section 5. Reimbursement Agreements. The execution and delivery of the Series 2011A-1 Bonds Reimbursement Agreement and the Series 2011A-2 Bonds Reimbursement Agreement, each to be dated the date determined by the Treasurer and in substantially the forms presented to the Board of Directors at this meeting, is hereby approved with such changes thereto as the Treasurer with the concurrence of the President shall approve (such approval and concurrence to be conclusively evidenced by the execution and delivery thereof).

Section 6. Fee Letters. The execution and delivery of the Series 2011A-1 Bonds Fee Letter and the Series 2011A-2 Bonds Fee Letter, each to be dated the date determined by the Treasurer and in substantially the forms presented to the Board of Directors at this meeting, is hereby approved with such changes thereto as the Treasurer with the concurrence of the President shall approve (such approval and concurrence to be conclusively evidenced by the execution and delivery thereof).

Section 7. Further Authorization. The President, the Treasurer, the Secretary, and each other officer of IRWD, acting singly, is hereby authorized and directed to execute and deliver any and all documents and instruments, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution.

Section 8. This resolution takes effect immediately upon its adoption.

ADOPTED, SIGNED AND APPROVED on January 22, 2024.

\_\_\_\_\_  
President  
IRVINE RANCH WATER DISTRICT


\_\_\_\_\_  
Secretary  
IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:  
Hanson Bridgett LLP

By: \_\_\_\_\_  
General Counsel

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January 22, 2024  
Prepared by: F. Tedescucci  
Submitted by: W. Chambers  
Approved by: Paul A. Cook 

## ACTION CALENDAR

### DASH CAM AND TELEMATICS PLATFORM SERVICES AGREEMENT

#### SUMMARY:

Irvine Ranch Water District (IRWD) has strategically transformed its fleet management approach by adopting the use of advanced dash cameras and a state-of-the-art telematics platform. This comprehensive system not only achieves real-time diagnostics, saving considerable time and maintenance costs, but it also safeguards against fraudulent claims by providing irrefutable video evidence of actual events. Staff recommends that the Board authorize the General Manager to execute a three-year services agreement with Samsara, Inc., in the total amount of \$487,613 for Dash Camera and Telematics Platform Services.

#### BACKGROUND:

IRWD currently manages a fleet of 240 vehicles equipped with separate telematics and dash camera systems, presenting significant maintenance challenges. To improve operational efficiency, staff recommends implementing a cutting-edge cloud-based solution to seamlessly integrate both systems, effectively reducing staff time and maintenance efforts.

#### Proposal Process:

A request for proposal for dash camera and telematics platforms was distributed to Lytx, Inc., SureCam, LLC, Samsara, Inc., and USA Fleet Solutions. All four firms submitted proposals, and following staff review, Samsara's proposal was deemed the best aligned with IRWD's needs and specifications. Samsara's platform provides a unified approach where telematics generates comprehensive reports encompassing safety, fuel usage, and maintenance alerts. Emissions data can be transmitted directly to the California Bureau of Automotive Repair bypassing traditional smog checks and ensuring regulatory compliance. Concurrently, dash cameras are crucial in providing video evidence for investigations and accident reconstructions. The platform eliminates unreliable removable memory cards and data will be uploaded directly to the cloud, ensuring secure storage for 14 months, meeting legal requirements. Based on IRWD reference checks of the firms along with direct experience with the USA Fleet Solutions system, staff determined that Samsara's system and customer service approach will best serve the District's needs.

Samsara's proposal is \$487,613 for three years (or \$162,538 annually). The District's Evaluation Matrix and Bid Summary are provided as Exhibit "A".

#### FISCAL IMPACTS:

The 2023-24 Fiscal Year Operating budget includes sufficient funds to purchase the dash cam and telematics platform services along with its installation.

COMMITTEE STATUS:

This item was not reviewed by Committee.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A THREE-YEAR SERVICES AGREEMENT WITH SAMSARA, INC., IN THE TOTAL AMOUNT OF \$487,613 FOR DASH CAMERA AND TELEMATICS PLATFORM SERVICES.

LIST OF EXHIBITS:

Exhibit "A" – Dash Cam and Telematics Platform Evaluation Matrix and Bid Summary

# Exhibit "A"

## IRWD Fleet Telematics & DashCAM Justification

**Proposals evaluation based on the following characteristics:**

40%	Experience, expertise, qualifications, and references with similar projects.
20%	Qualifications of the supplier and individuals assigned to perform the work and meet IRWD's required functionality, preferred capabilities, and ongoing support and training needs.
40%	Understanding of project scope, approach to accomplish the work, and project timeline. The firm's ability to present a detailed, comprehensive scope of work and methodology to provide the requested services along with the ability to provide the requested services within the proposed schedule, and cost.

<b>Results of Evaluation:</b>				
	<b>USA Fleet Solutions (GeoTab)</b>	<b>Samsara</b>	<b>Lytx, Inc</b>	<b>SureCam, LLC</b>
<b>Possible Points</b>				
40 / 100	35	40	30	30
20 / 100	15	20	10	10
40 / 100	30	35	25	25
100 Possible Points	80	95	65	65
<b>Sum of Ranking</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>3</b>

## Dash Cam and Telematics Services Bid Matrix

Supplier Name	Dash Camera Units	One-Year Cloud Service	Total
<b>Lytx, Inc.</b>	\$143,921.87	\$99,000 (GEOTAB)	<b>\$242,922</b>
<b>SureCam, LLC</b>	\$128,885.83	\$99,000 (GEOTAB)	<b>\$227,886</b>
<b>Samsara, Inc.</b>	\$162,537.50		<b>\$162,538</b>
<b>USA Fleet Solutions</b>	\$134,000.00		<b>\$134,000</b>

January 22, 2024  
Prepared by: K. Welch  
Submitted by: F. Sanchez / P. Weghorst  
Approved by: Paul A. Cook



## ACTION CALENDAR

### DRAFT TERMS FOR EXCHANGE PROGRAM WITH SANTA CLARA VALLEY WATER DISTRICT

#### SUMMARY:

Staff has prepared draft terms for an Exchange Program that would allow Santa Clara Valley Water District (Valley Water), a State Water Project (SWP) contractor, to deliver water into storage at the IRWD Water Bank with one-half of the water being transferred to IRWD. The recharge and recovery of Valley Water's water would occur after meeting the needs of IRWD and its other exchange partners. Staff recommends that the Board authorize the General Manager to execute an agreement with Santa Clara Valley Water District based on the draft terms presented at the meeting, subject to substantive changes approved by the Supply Reliability Programs Committee and legal counsel.

#### BACKGROUND:

Valley Water is a SWP contractor with 100,000 acre-feet (AF) of SWP Table A water entitlement. In 2023, staff began discussions with Valley Water regarding their interest in storing a portion of its Table A water in the IRWD Water Bank. Recent discussions have focused on implementing an Exchange Program that would allow Valley Water to deliver this water into storage at the IRWD Water Bank on a 2-for-1 basis. Staff has developed draft terms for a proposed Exchange Program with Valley Water as described below. IRWD and its other exchange partners would not be impacted by the proposed program.

#### Exchange Program Terms:

Staff proposes to allocate 20,000 AF of storage capacity to this proposed Exchange Program. The proposed Exchange Program would allow Valley Water to deliver its SWP supplies to the IRWD Water Bank with Valley Water's share of the water limited by a maximum account balance of 10,000 AF. One-half of the water delivered by Valley Water would be transferred to IRWD through Metropolitan Water District. Delivery of Valley Water's Table A water into storage would occur after the recharge needs of IRWD and its other exchange partners have been met.

Valley Water's share of the water would be returned by the end of the seventh year after each recharge event by pumping wells at the IRWD Water Bank. The pumping of wells for Valley Water would occur after meeting the needs of IRWD and its other exchange partners. All of Valley Water's Table A water would need to be returned by the end of the program term of December 31, 2035. The proposed draft terms are provided as Exhibit "A". Staff recommends that the Board authorize the General Manager to execute an Exchange Program Agreement with Santa Clara Valley Water District based on the draft terms.

FISCAL IMPACTS:

IRWD and Valley Water would each be responsible for recharge and recovery costs associated with their respective share of the water delivered into storage under the Exchange Program. Valley Water would pay for all fixed SWP costs associated with making the water available for recharge, including the water that will be transferred to IRWD.

ENVIRONMENTAL COMPLIANCE:

Final Environmental Impact Reports for the Strand Ranch and Stockdale Integrated Banking Project were prepared, certified, and approved in compliance with the California Environmental Quality Act (CEQA) of 1970 as amended, codified at California Public Resources Code Sections 21000 et. seq., and the State CEQA Guidelines in the Code of Regulations, Title 14, Division 6, Chapter 3. Rosedale-Rio Bravo Water Storage District, as lead agency, filed Notices of Determination for both the Strand Ranch and Stockdale Integrated Banking Projects with the County of Kern. IRWD, as a responsible agency, filed Notices of Determination with the County of Orange and with the County of Kern.

COMMITTEE STATUS:

This item was reviewed by the Supply Reliability Programs Committee on January 18, 2024.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN EXCHANGE PROGRAM AGREEMENT WITH SANTA CLARA VALLEY WATER DISTRICT BASED ON THE DRAFT TERMS PRESENTED, SUBJECT TO SUBSTANTIVE CHANGES APPROVED BY THE SUPPLY RELIABILITY PROGRAMS COMMITTEE AND LEGAL COUNSEL.

LIST OF EXHIBITS:

Exhibit "A" – Draft Terms for Exchange Program between Irvine Ranch Water District and Santa Clara Valley Water District

## Exhibit “A”

Draft Terms for Exchange Program  
Between Irvine Ranch Water District and Santa Clara Valley Water District  
January 18, 2024

<b>Parties</b>	Irvine Ranch Water District (IRWD) and the Santa Clara Valley Water District (Valley Water)
<b>Purpose</b>	IRWD and Valley Water would implement an Exchange Program that would allow Valley Water to deliver State Water Project (SWP) water into storage at IRWD’s Strand and Stockdale Integrated Banking Projects (IRWD Water Bank) on a 2-for-1 basis. All recharge and recovery facilities at the IRWD Water Bank and any facilities operated in conjunction with the IRWD Water Bank could be used to deliver water in and out of storage.
<b>Coordination with State Contractors and the State</b>	<p>Valley Water has a long-term water supply contract with the California Department of Water Resources (DWR) that permits Valley Water to receive water supply, storage, and conveyance services from the SWP (Water Supply Contract).</p> <p>Metropolitan Water District of Southern California (Metropolitan) has a long-term Water Supply Contract with DWR. IRWD receives SWP supplies from Municipal Water District of Orange County (MWDOC), which is a member agency of Metropolitan.</p> <p>Kern County Water Agency (KCWA) also has a long-term Water Supply Contract with DWR. Consent from KCWA is required to deliver Valley Water’s water into storage in Kern County.</p> <p>IRWD and Valley Water would cooperate with DWR, KCWA, and Metropolitan in preparing all necessary agreements to facilitate the Exchange Program. IRWD and Valley Water shall each be responsible for their own costs associated with coordination.</p>
<b>Program Term</b>	The Program Term will last from the effective date of the Exchange Program Agreement through December 31, 2035.
<b>IRWD’s Water Bank</b>	The IRWD Water Bank, located in Kern County, is owned by IRWD and operated by Rosedale-Rio Bravo Water Storage District (Rosedale). IRWD holds first-priority rights to the use of the recharge and recovery facilities, except when the Kern River Watermaster offers water to all takers willing to sign a notice/order or the Kern River Watermaster offers Kern River water to the California Aqueduct/Kern River Intertie. Under such conditions, Rosedale has first-priority right to the use of the recharge facilities.
<b>Storage Capacity</b>	Up to 20,000 acre-feet (AF) of storage capacity (Total Program Storage Capacity) in the IRWD Water Bank would be dedicated to the Exchange Program using capacity not already allocated to other IRWD exchange programs. The Maximum Account Balance to be allocated for the storage of Valley Water’s share of the water stored in the IRWD Water Bank would be 10,000 AF. IRWD at its sole discretion could increase the Total Program Storage Capacity allocated to the Exchange Program with a proportional increase in Valley Water’s Maximum Account Balance. IRWD could also,

	<p>with 18 months-notice, reduce the Total Program Storage Capacity and Maximum Account Balance allocated to Valley Water should it not reasonably exercise its ability to deliver water into storage at the IRWD Water Bank.</p>
<p><b>Exchange Water</b></p>	<p>During the Program Term, Valley Water may deliver SWP water to the IRWD Water Bank available to Valley Water through its SWP Water Supply Contract with DWR (Exchange Water). One-half of the water would be stored on behalf of Valley Water for later recovery and use within Valley Water’s service area and half of the water would be deemed transferred to Metropolitan on behalf of IRWD. The volume of Valley Water’s share of the water would be restricted by its Maximum Account Balance with IRWD’s share being stored in the remaining portion of the Total Program Storage Capacity and other storage capacity available to IRWD. Both Valley Water and IRWD’s share of the water would be subject to losses as described below.</p> <p>Recharge capacity to accept the Exchange Water would be subject to scheduling and availability considering IRWD’s other exchange programs. The Parties would cooperate in scheduling the Exchange Water deliveries with both scheduled and expected deliveries associated with other IRWD deliveries and exchange programs. The recharge of Exchange Water would occur after the recharge needs of IRWD and its other exchange partners are met and would be subject to available recharge capacity, infiltration rates, available Cross Valley Water Canal (CVC) capacity, and terms of IRWD’s Coordinated Operating, Water Storage, Exchange and Delivery Agreement with Metropolitan and MWDOC (Coordinated Agreement).</p>
<p><b>Return Water</b></p>	<p>IRWD will return Valley Water’s share of the Exchange Water to Valley Water less losses by pumping wells at an annual rate of no more than one-third of Valley Water’s Maximum Account Balance not to exceed 3,333 AF per year. The return of Valley Water’s share of the water would be subject to scheduling, actual well pumping rates, and would occur after the recovery needs of IRWD and its other exchange partners are met. The Return Water shall be pumped and introduced into Reach 12E of the California Aqueduct, for exchange with SWP supplies. Valley Water shall coordinate with the DWR to effectuate any necessary exchange to accept delivery of Return Water to Valley Water’s service area. IRWD could allow Valley Water to recover more water in a year, if IRWD determines that the use of additional recovery capacity by Valley Water would not infringe on IRWD’s ability to recover water for itself and/or IRWD’s other partners.</p> <p>Valley Water’s share of water recharged and stored in any year may not remain in storage beyond the end of the seventh calendar year after the delivery of water into storage in the IRWD Water Bank. For example, if 10,000 AF of water (after losses) is delivered by Valley Water into storage in year 1, then Valley Water’s 5,000 AF share must be returned by the end of year 8. If another 10,000 AF of water (after losses) is delivered by Valley Water into storage in year 3, then Valley Water’s 5,000 AF share must be returned by the end of Year 10. All deliveries of Return Water would be complete by the end of Program Term.</p>



<p><b>Delivery Points</b></p>	<p>The IRWD Point of Delivery (IRWD POD) for the Exchange Water under this program shall be at an IRWD Water Bank turnout on the CVC. The Valley Water Point of Delivery (Valley Water POD) for the Return Water shall be at an IRWD Water Bank turn-in to the CVC. IRWD and Valley Water shall coordinate with KCWA for the conveyance of Exchange Water and Return Water utilizing the CVC. Valley Water shall coordinate any required approval with the DWR for delivery of Exchange Water and Return Water.</p>
<p><b>Losses</b></p>	<p>Water Banking losses shall be shared equally between IRWD and Valley Water (between 11 and 15%). Valley Water and IRWD each may incur additional conveyance losses of 1% to 2% in the CVC for conveyance of each agency’s share of the water, as measured by KCWA.</p>
<p><b>Recharge Costs</b></p>	<p>IRWD shall pay all costs assessed to IRWD by Rosedale for recharging water at the IRWD Water Bank. Valley Water would reimburse IRWD for 50% of these costs paid by IRWD upon delivery of Return Water to Valley Water. Costs are assessed by Rosedale consistent with that certain Water Banking and Exchange Program Agreement between Rosedale and IRWD dated January 13, 2009. These estimated costs may include Rosedale’s administrative charge of about \$4 per AF, third party wheeling charges assessed by KCWA of \$5 per AF, CVC Standby, actual CVC pumping and O&amp;M costs of about \$15 per AF, and applicable fixed and variable O&amp;M Water Bank costs of about \$3 per AF. Valley Water would also be responsible for paying one-half of the KCWA transaction request fee estimated at \$3,000.</p>
<p><b>Recovery Costs</b></p>	<p>Valley Water shall pay any costs assessed by Rosedale for the extraction of Return Water utilizing capacities within the IRWD Water Bank including costs associated with groundwater pumping, Rosedale’s administrative charge, other associated O&amp;M costs, and any costs assessed by KCWA. Valley Water shall be responsible for any costs associated with the use of CVC pumping or CVC capacity for the conveyance of the Return Water. Valley Water would be responsible for paying a KCWA transaction request fee of \$3,000 associated with delivery of its Return Water.</p> <p>Valley Water shall be responsible for any costs assessed by Rosedale under the Long-Term Operations Plan for implementing provisions to prevent operation impacts. It is expected that banking projects, such as the IRWD Water Bank, may be required to contribute \$2.00 per AF for recovered water to a fund, which may be used to meet mitigation obligations.</p>
<p><b>SWP Fixed and Variable Costs</b></p>	<p>Metropolitan pays the DWR Variable Operation, Maintenance, Power, and Replacement (OMP&amp;R) charges estimated at \$30 per AF associated with the delivery of the Exchange Water from the Delta to IRWD POD consistent with the Coordinated Agreement or as otherwise specified by DWR.</p> <p>For delivery of Return Water to the Valley Water POD and the subsequent exchange delivery to Valley Water’s service area, Valley Water will pay the DWR Variable OMP&amp;R charges from the Delta.</p>

	Valley Water shall pay all fixed SWP costs associated with making Exchange Water available for recharge, including water that will be transferred to Metropolitan on behalf of IRWD.
<b>Environmental Compliance</b>	<p>Both parties shall comply with the California Environmental Quality Act (CEQA) and cooperate with one another with respect to CEQA compliance that may be required by DWR for the proposed Exchange Program. IRWD has already conducted an environmental review under CEQA for the Strand and Stockdale Integrated Banking Projects that takes into consideration the delivery, storage and recovery of SWP water. Rosedale certified and IRWD approved the CEQA documents for the Strand and Stockdale Integrated Banking Projects.</p> <p>Corresponding Notices of Determination were filed by both Rosedale and IRWD. IRWD and Valley Water will share equally any additional costs associated with any further environmental review or permitting deemed necessary for delivering Valley Water’s water into storage (however, none are expected). Both IRWD and Valley Water shall each be responsible for any other environmental review or permitting necessary to implement the Exchange Program within their own respective service areas.</p>
<b>Water Rights</b>	It is expressly agreed, understood, and acknowledged by IRWD and Valley Water that any existing or future delivery of Exchange Water to the IRWD Water Bank by Valley Water will not result in or be considered a sale or transfer of Valley Water’s contractual rights to SWP water or a sale or transfer of IRWD’s ownership in the IRWD Water Bank.
<b>General Expenses</b>	Each Party would be responsible for its own fees and expenses arising out of the negotiation and execution of the Exchange Program Agreement, obtaining necessary approvals and the like.
<b>Future Opportunities</b>	The Parties agree to evaluate and discuss potential amendments to the Exchange Program Agreement related to Exchange Program extensions or future opportunities which could include provisions for other types of available water or revisions for added flexibility and mutual benefit to the Parties.