

Agenda
Sacramento Suburban Water District
Regular Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, February 28, 2022
6:00 p.m.

This meeting will be conducted both in-person in the District’s Boardroom at the address above, and by videoconference and teleconference using the information provided below. The public is invited to listen, observe, and provide comments during the meeting by any method provided. The President will call for public comment on each agenda item at the appropriate time and all votes will be taken by roll call.

The District recommends that members of the public participate in public meetings via videoconference and/or teleconference per the instructions below.

For members of the public interested in viewing and having the ability to comment at the public meeting via Zoom, an internet enabled computer equipped with a microphone and speaker or a mobile device with a data plan is required. Use of a webcam is optional. You also may call in to the meeting using teleconference without video. Please use the following login information for videoconferencing or teleconferencing:

Join the meeting from a computer, tablet or smartphone:

<https://us02web.zoom.us/j/84155784873?pwd=NFdkZFVMOEZTd0ZJa3MyWm1LNjZKdz09>

Meeting ID: 841 5578 4873

Password: 133604

You can also dial in using your phone: 1 (669) 900-6833

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Zoom uses encryption of data during Zoom meetings. The District uses a secure password to restrict access to scheduled meetings. The meeting host has control of content sharing, recording, and chat.

Please mute your line.

Where appropriate or deemed necessary, the Board may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District’s Administrative Office at the address listed above.

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 916.679.3972. Requests must be made as early as possible and at least one full business day before the start of the meeting.

Call to Order

Roll Call

Action Item

1. AB 361 Findings to Continue Permitting Director Remote Participation in Board Meetings
Recommendation: Consider finding by a majority vote under Gov. Code § 54953, subd. (e)(1)(B) that as a result of the COVID-19 emergency: (i) meeting in person would present imminent risks to the health or safety of attendees; and (ii) the meeting is authorized to be held in part by teleconference pursuant to Gov. Code, § 54953, subd. (e)(1)(C).

Announcements

Public Comment

This is the opportunity for the public to comment on non-agenda items within the Board's jurisdiction. Comments are limited to 3 minutes.

Consent Items

The Board will be asked to approve all Consent Items at one time without discussion. Consent Items are expected to be routine and non-controversial. If any Board member, staff, or interested person requests that an item be removed from the Consent Items, it will be considered with the Items for Discussion and/or Action.

2. Minutes of the January 24, 2022, Regular Board Meeting
Recommendation: Approve subject minutes.
3. Minutes of the February 7, 2022, Special Board Meeting
Recommendation: Approve subject minutes.

4. Treasurer's Report
Recommendation: Approve the items in the report as recommended.
5. Policy Review - Debt Management Policy (PL – Fin 011)
Recommendation: Ratify subject policy without changes.
6. Policy Review - Reasonable Accommodation and Interactive Process Policy (PL – HR 014)
Recommendation: Approve subject policy with changes.
7. Policy Review - Disconnection of Residential Water Service Policy (PL – CS 001)
Recommendation: Approve subject policy with changes.

Items for Discussion and/or Action

8. Presentation on District's 20 Year Anniversary
Recommendation: Receive staff presentation on the District's 20-year anniversary.
9. Resolution No. 22-05 Authorizing the Issuance of Not to Exceed \$52,000,000 Refunding Revenue Bonds in Multiple Issues and Approving the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters
Recommendation: Approve Resolution No. 22-05 Authorizing the Issuance of Not to Exceed \$52,000,000 Refunding Revenue Bonds in Multiple Issues and Approving the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters.
10. Social Media Outreach Program Discussion
Recommendation: No action. Receive staff report regarding potential use of a social media outreach program and direct staff as appropriate.
11. Combination Study Business Case Analysis – Proposal Update
Recommendation: No action. Receive staff report on the Combination Study Business Case Analysis between Carmichael Water District and Sacramento Suburban Water District.
12. Policy Review – Directors' Compensation and Expense Reimbursement Policy (PL – BOD 003)
Recommendation: Review the Directors' Compensation and Expense Reimbursement Policy (PL – BOD 003) and direct staff as appropriate.
13. Policy Review - Rules for Proceedings of the Board of Directors (PL - BOD 002)
Recommendation: Approve subject policy with changes.

General Manager's Report

14. General Manager's Report
 - a. Barrett Ranch Property Acquisition
 - b. Redistricting Update
 - c. Urban Water Management Plan

Department/Staff Reports

15. Financial Report
 - a. COVID-19 Financial Update
 - b. Financial Highlights
 - c. Budgets
 - d. Information Required by LOC Agreement
16. District Activity Report
17. Engineering Report
 - a. Major Capital Improvement Program Projects
 - b. Active Wells
 - c. Planning Documents
 - d. Other Projects

Information Items

18. Safety Center Award – Excellence in Safety
19. ACWA/JPIA Liability, Property, and Workers' Compensation Risk Review
20. ACWA/JPIA President's Special Recognition Award
21. Upcoming Water Industry Events

22. Upcoming Policy Review

- a. Training and Career Development Policy (PL - HR 004)

Director’s Reports (Per AB 1234, Directors will report on their meeting activities)

23. a. Regional Water Authority (Director Jones)

None.

Regional Water Authority Executive Committee (General Manager York)
Agenda for the January 26, 2022 Executive Committee Meeting.

b. Sacramento Groundwater Authority (Director Wichert)

Agenda for the February 10, 2022 Board Meeting.

c. Director Reports – AB 1234

Director’s Comments/Staff Statements and Requests

The Board and District staff may ask questions for clarification and make brief announcements and comments, and Board members may request staff to report back on a matter or direct staff to place a matter on a subsequent agenda.

Closed Session (Closed Session Items are not open to the public)

- 24. Public employee performance evaluation involving the General Manager under Government Code section 54954.5(e) and 54957.

Adjournment

Upcoming Meetings

Monday, March 21, 2022, at 6:00 p.m., Regular Board Meeting

I certify that the foregoing agenda for the February 28, 2022, meeting of the Sacramento Suburban Water District Board of Directors was posted by February 18, 2022, in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was freely available to the public.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 9

Date: February 28, 2022

Subject: Resolution No. 22-05 Authorizing the Issuance of Not to Exceed \$52,000,000 Refunding Revenue Bonds in Multiple Issues and Approving the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters

Staff Contact: Jeffery S. Ott, Director of Finance and Administration

Recommended Board Action:

Approve Resolution No. 22-05 Authorizing the Issuance of Not to Exceed \$52,000,000 Refunding Revenue Bonds in Multiple Issues and Approving the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters.

Background:

At the December 20, 2021, regular and special meetings of the Board of Directors (Board), the Board directed staff to work with the approved Financing Team to assemble all the documents necessary for a current refunding of the 2009A Certificates of Participation (2009A Certificates) and the 2012A Revenue Bonds (2012A Bonds) by issuing Refunding Revenue Bonds at a tax-exempt interest rates.

At the February 7, 2022 special Board meeting, the Board approved a financing plan that included refinancing the 2009A Certificates and the 2012A Bonds, terminating the swap with Wells Fargo Bank, N.A. (Wells Fargo) with excess cash and reserves as necessary, accelerate the pay down schedule that has all debt extinguished by the end of 2031 and approved an approximate \$5.7 million budget amendment for the payment to terminate the swap agreement. The forward delivery of the 2022B bonds was discussed. This would allow the District to issue current refunding revenue bonds but also requires the District to reissue an updated official statement prior to delivery. The District could also issue advance refunding bonds that would be issued taxable concurrently with delivery of the 2022A revenue refunding bonds. The forward delivery premium is approximately 0.4% that would be added to the yield on the forward delivered 2022B bonds. The current spread between tax-exempt and taxable yields with the forward premium included ranges between 0.06% and 0.18% or net present value (NPV) of approximately \$60,000. Staff recommends issuing the 2022B bonds on a taxable advance refunding basis to enable full settlement of the transaction in March 2022.

This action was sought due to an opportunity for the District to de-risk the debt portfolio and reduce the outstanding par value of debt by approximately \$6.5 million while potentially saving between an estimated \$3.54 million and \$2.89 million (\$1.04 million and \$438,908 net present

Resolution No. 22-05 Authorizing the Issuance of Not to Exceed \$52,000,000 Refunding Revenue Bonds in Multiple Issues and Approving the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters

February 28, 2022

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value (NPV)) in cash over the period 2022 to 2034 dependent on future short term interest rates. Refer to Attachments 1 and 2 for interest rate scenarios analyzed.

Discussion:

By refinancing the 2009A Certificates (\$42.0 million par) that bear tax-exempt interest at a variable rate with approximately \$35.1 million par fixed rate, tax-exempt debt, and refinancing the 2012A Bonds (29.0 million par 8.9 million outstanding) that bear non-taxable interest at a fixed rate with approximately \$6.6 million par fixed rate, taxable debt, the District can terminate the swap agreement with Wells Fargo, eliminate the associated risks of maintaining the variable rate debt along with the credit facility and marketing fees, reduce the maturity time of outstanding debt by 3 years and save the District between an estimate \$3.54 million and \$2.89 million in cash over the period 2022 – 2034 or NPV savings between approximately \$1.04 million and \$438,908 subject to market conditions when pricing the bonds. There is extreme volatility in the bond market currently and pricing and financing options may change based on market conditions.

Set forth below are **good faith estimates** of Fieldman, Rolapp & Associates, Inc., the municipal advisor, as required under Section 5852.1 of the California Government Code (the “Code”). **The following estimates are based on market conditions as of February 17, 2022 and have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by resolution.**

- (a) The true interest cost of the 2022A Bonds is estimated at 1.73%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- (b) The finance charge of the 2022A Bonds, including all fees and charges paid to third parties, is estimated at \$5,631,881.
- (c) Proceeds of the 2022A Bonds expected to be received by the District for the sale of the Bonds, plus the District’s cash contribution in the amount of \$5,274,000 for the swap termination, less the finance charge described in (b) above and any capitalized interest or reserves paid from proceeds of the 2022A Bonds (if any), is equal to \$42,028,314.
- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$46,806,344.
- (e) The true interest cost of the 2022B Bonds is estimated at 1.80%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- (f) The finance charge of the 2022B Bonds, including all fees and charges paid to third parties, is estimated at \$67,265.
- (g) Proceeds of the 2022B Bonds expected to be received by the District for the sale of the Bonds, less the finance charge described in (f) above and any capitalized interest or reserves paid from proceeds of the 2022B Bonds (if any), is equal to \$6,532,735.

Resolution No. 22-05 Authorizing the Issuance of Not to Exceed \$52,000,000 Refunding Revenue Bonds in Multiple Issues and Approving the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters

February 28, 2022

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- (h) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$6,854,453.

The foregoing are estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth above.

Closing the above transactions at this point is primarily dependent on market conditions and Standard & Poor's assignment of a credit rating to the 2022A and 2022B Refunding Revenue Bonds. It is anticipated that such assignment will occur by or around February 25, 2022.

Included with the Resolution are 11 documents for Director review and approval. Behind this staff report is a Power Point presentation prepared by Fieldman, Rolapp & Associates, Inc. that summarizes the refinancing and two interest rate scenarios. The 11 Bond documents that follow are:

Bond Documents

1. Resolution 22-05
2. Indenture of Trust 2022A (Exhibit A)
3. Indenture of Trust 2022B (Exhibit B)
4. Purchase Contract 2022A (Exhibit C)
5. Purchase Contract 2022B (Exhibit D)
6. Preliminary Official Statement (Exhibit E)
7. Continuing Disclosure Certificate 2022A (Exhibit F)
8. Continuing Disclosure Certificate 2022B (Exhibit G)
9. Swap Termination Agreement (Exhibit H)
10. Good Faith Estimates 2022A Bonds (Exhibit I)
11. Good Faith Estimates 2022B Bonds (Exhibit J)

Fiscal Impact:

Approximately \$425,125 in closing costs (underwriter's discount and costs of issuance) on the 2022A and 2022B Refunding Revenue Bonds. Cash savings ranging from approximately \$2.89 million to \$3.54 million for the period 2022 to 2034, subject to change based on market conditions. Cash swap termination expense of approximately \$5.3 million.

Strategic Plan Alignment:

Goal C – Ensure Fiscal Responsibility and Affordable Rates

Attachments:

1. Current refinancing analysis scenario 1
2. Current refinancing analysis scenario 2
3. PowerPoint presentation

RESOLUTION NO. 22-05

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SACRAMENTO SUBURBAN WATER DISTRICT
AUTHORIZING THE ISSUANCE OF NOT TO EXCEED
\$52,000,000 REFUNDING REVENUE BONDS IN ONE OR
MORE SERIES AND APPROVING THE EXECUTION AND
DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION
THEREWITH AND CERTAIN OTHER MATTERS**

WHEREAS, the Sacramento Suburban Water District (the “District”) is a county water district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the “State”);

WHEREAS, the Board of Directors of the District (the “Board”) has previously caused Adjustable Rate Refunding Revenue Certificates of Participation, Series 2009A (the “2009A Certificates”) to be executed and delivered to refinance certain capital improvements of the District; and

WHEREAS, the Board has previously entered into a swap agreement with Wells Fargo Bank, N.A. (the “Swap Agreement”) which hedges certain payments with respect to the 2009A Certificates;

WHEREAS, the Board has determined that it is in the best interest of the District to terminate the Swap Agreement;

WHEREAS, the Board has determined that it is in the best interest of the District to cause fixed rate refunding revenue bonds (the “2022A Bonds”) to be issued to prepay the outstanding 2009A Certificates;

WHEREAS, the Board has previously caused Refunding Revenue Bonds, Series 2012A (the “2012A Bonds”) to be issued to refund certain outstanding certificates of participation of the District; and

WHEREAS, the Board has determined that it is in the best interest of the District to cause fixed rate revenue bonds (the “2022B Bonds”) to be issued to defease and redeem all or a portion of the outstanding 2012A Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sacramento Suburban Water District as follows:

1. The Indenture of Trust related to the 2022A Bonds (the “2022A Indenture”), in substantially the form attached hereto as Exhibit A and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. The President of the Board or the General Manager or the designee thereof (each an “Authorized Officer”) is hereby authorized and directed to execute and deliver the 2022A Indenture with such changes, insertions and omissions as may be recommended by the law firm of Bartkiewicz, Kronick & Shanahan, a Professional Corporation, as General Counsel (“General Counsel”), or by the law firm of Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel (“Bond Counsel”), and approved by the officers executing the same, said execution being conclusive evidence of such approval.

2. The Board hereby authorizes the issuance, sale and delivery of the 2022A Bonds in one or more series in an aggregate principal amount not to exceed \$43,000,000 (except that such amount may be increased with the approval of the General Manager to provide for original issue discount to the extent that such original issue discount will result in a lower interest rate or yield to maturity on the 2022A Bonds) in accordance with the terms and provisions of the 2022A Indenture. The sale and issuance of the 2022A Bonds is determined to be consistent with the District's debt policy and, to the extent the sale and issuance of the 2022A Bonds is not in compliance with the District's debt policy, such noncompliance is waived in accordance with the terms of the District's debt policy.

3. The Indenture of Trust related to the 2022B Bonds (the "2022B Indenture"), in substantially the form attached hereto as Exhibit B and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. Each Authorized Officer is hereby individually authorized and directed to execute and deliver the 2022B Indenture with such changes, insertions and omissions as may be recommended by General Counsel or by Bond Counsel, and approved by the officers executing the same, said execution being conclusive evidence of such approval.

4. The Board hereby authorizes the issuance, sale and delivery of the 2022B Bonds in one or more series, on a taxable or tax-exempt basis, in an aggregate principal amount not to exceed \$9,000,000 (except that such amount may be increased with the approval of the General Manager to provide for original issue discount to the extent that such original issue discount will result in a lower interest rate or yield to maturity on the 2022B Bonds) in accordance with the terms and provisions of the 2022B Indenture. The sale and issuance of the 2022B Bonds is determined to be consistent with the District's debt policy and, to the extent the sale and issuance of the 2022B Bonds is not in compliance with the District's debt policy, such noncompliance is waived in accordance with the terms of the District's debt policy.

5. The Purchase Contract related to the 2022A Bonds (the "2022A Purchase Contract") between the District and Citigroup Global Markets Inc. (the "Underwriter"), in substantially the form attached hereto as Exhibit C and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. Each Authorized Officer is hereby individually authorized and directed to execute and deliver the 2022A Purchase Contract with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by the officers executing the same, said execution being conclusive evidence of such approval; provided, however that in no event shall the principal amount exceed \$43,000,000, nor shall the underwriting discount exceed 0.40% of the principal amount, nor shall the true interest cost of the Bonds in the aggregate exceed 2.75%.

6. The Purchase Contract related to the 2022B Bonds (the "2022B Purchase Contract") between the District and the Underwriter, in substantially the form attached hereto as Exhibit D and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. Each Authorized Officer is hereby individually authorized and directed to execute and deliver the 2022B Purchase Contract with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by the officers executing the same, said execution being conclusive evidence of such approval; provided, however that in no event shall the principal amount exceed \$9,000,000, nor shall the underwriting discount exceed 0.40% of the principal amount, nor shall the true interest cost of the 2022B Bonds in the aggregate exceed 2.75%.

7. The preparation and distribution of the Preliminary Official Statement, with respect to the 2020A Bonds and the 2022B Bonds, in substantially the form attached hereto as Exhibit E, be is hereby approved. Each Authorized Officer is hereby authorized to make such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 relating to the Preliminary Official Statement. Upon execution of such certificate, the Underwriter is hereby authorized to distribute copies of said Preliminary Official Statement to persons who may be interested in the initial purchase of the Bonds. Each Authorized Officer is hereby authorized and directed to execute, approve and deliver the Official Statement in the form of the Preliminary Official Statement which, upon execution as authorized herein, is made a part hereof as though set forth in full herein, with such changes, insertions and omissions as may be recommended by Bond Counsel and approved by the officers executing the same, said execution being conclusive evidence of such approval. The Underwriter is hereby authorized and directed to deliver copies of any final Official Statement to all actual initial purchasers of the 2022A Bonds or 2022B Bonds.

8. The Continuing Disclosure Certificate relating to the 2022A Bonds (the “2022A Continuing Disclosure Certificate”), in substantially the form attached hereto as Exhibit F and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. Each Authorized Officer is hereby individually authorized and directed to execute and deliver the 2022A Continuing Disclosure Certificate with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by the officers executing the same, said execution being conclusive evidence of such approval.

9. The Continuing Disclosure Certificate relating to the 2022B Bonds (the “2022B Continuing Disclosure Certificate”), in substantially the form attached hereto as Exhibit G and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. Each Authorized Officer is hereby individually authorized and directed to execute and deliver the 2022B Continuing Disclosure Certificate with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by the officers executing the same, said execution being conclusive evidence of such approval.

10. The Board hereby approves the termination of the Swap Agreement. The Termination Agreement relating to the termination of the Swap Agreement (the “Swap Termination Agreement”), in substantially the form attached hereto as Exhibit H and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. The General Manager is hereby authorized and directed to execute and deliver the Swap Termination Agreement with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by the General Manager, said execution being conclusive evidence of such approval. The General Manager is hereby further authorized and directed to do and cause to be done any and all acts and things necessary to terminate the Swap Agreement, including but not limited to providing for the payment of any termination payments to be made in connection with the termination of the Swap Agreement, and executing any and all documents and instruments.

11. U.S. Bank Trust Company, National Association is hereby appointed to act as trustee under each of the 2022A Indenture and the 2022B Indenture.

12. The Board acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code with respect to the 2022A Bonds and the 2022B Bonds are disclosed in Exhibits I and J hereto, respectively.

13. The President of the Board or the General Manager or the designee thereof and any other proper officer of the District, acting singly, is each 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 the aforementioned 2022A Indenture, the 2022B Indenture, the 2022A Purchase Contract, the 2022B Purchase Contract, the Preliminary Official Statement, the Official Statement, the 2022A Continuing Disclosure Certificate, the 2022B Continuing Disclosure Certificate, the Swap Termination Agreement and this resolution.

14. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the 2022A Indenture or the 2022B Indenture, as applicable, unless the context otherwise clearly requires.

15. This resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on February 28, 2022 by the following vote:

AYES:
NOES:
ABSENT:

By: _____
Craig M. Locke
President, Board of Directors
Sacramento Suburban Water District

I certify that the foregoing resolution was duly and regularly adopted and passed by the Board of Directors of the Sacramento Suburban Water District at a regular meeting thereof held on the 28th day of February 2022.

(SEAL) By: _____
Daniel R. York
General Manager
Sacramento Suburban Water District

EXHIBIT A
2022A INDENTURE

INDENTURE OF TRUST

Dated as of March 1, 2022

By and between

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee**

and the

SACRAMENTO SUBURBAN WATER DISTRICT

Relating to

**\$ _____
SACRAMENTO SUBURBAN WATER DISTRICT
REFUNDING REVENUE BONDS, SERIES 2022A**

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, made and entered into and dated as of March 1, 2022 (the “Indenture”), by and between SACRAMENTO SUBURBAN WATER DISTRICT, a county water district duly organized and existing under and by virtue of the laws of the State of California (the “District”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as trustee hereunder (the “Trustee”);

WITNESSETH:

WHEREAS, the District has determined that it is in the best interest of the public to refund the outstanding Sacramento Suburban Water District Adjustable Rate Refunding Revenue Certificates of Participation, Series 2009A (the “2009A Certificates”); and

WHEREAS, the District is authorized by Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, including but not limited to Section 53583, to issue bonds for the purpose of refunding any evidences of indebtedness of the District; and

WHEREAS, in order to provide for the authentication and delivery of refunding revenue bonds (the “2022A Bonds”), to establish and declare the terms and conditions upon which such 2022A Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and premium, if any, thereon, the District has authorized the execution and delivery of the Indenture; and

WHEREAS, the District has determined that all acts and proceedings required by law necessary to make the 2022A Bonds, when executed by the District, authenticated and delivered by the Trustee, and duly issued, the valid, binding and legal special obligations of the District, and to constitute the Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture have been in all respects duly authorized;

NOW, THEREFORE, THE INDENTURE WITNESSETH:

GRANTING CLAUSES

The District, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the mutual covenants herein contained and of the purchase and acceptance of the 2022A Bonds by the owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and the interest and premium (if any) on all 2022A Bonds at any time issued and Outstanding under the Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, does hereby assign and pledge unto, and grant a security interest in, the following (the “Trust Estate”) to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the District to the 2022A Bond Owners hereinafter set forth:

GRANTING CLAUSE FIRST

All right, title and interest of the District in and to the Revenues (as defined herein), including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any Revenues payable to or receivable by the District under the Constitution of the State, the Government Code of the State of California and the Indenture and any other applicable laws of the State or otherwise, to bring actions and proceedings thereunder for the enforcement thereof, and to do any and all things which the District is or may become entitled to do thereunder, subject to the terms hereof.

GRANTING CLAUSE SECOND

All moneys and securities held in funds and accounts of the Indenture and all other rights of every name and nature from time to time herein or hereafter by delivery or by writing of any kind pledged, assigned or transferred as and for additional security hereunder to the Trustee by the District or by anyone on its behalf, or with its written consent, and to hold and apply the same, subject to the terms hereof.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and assigns forever for the benefit of the Owners and such pledge shall constitute a lien on and security interest in such Trust Estate;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the 2022A Bonds issued under and secured by the Indenture without privilege, priority or distinction as to the lien or otherwise of any of the 2022A Bonds over any of the other 2022A Bonds;

PROVIDED, HOWEVER, that if the District, its successors or assigns shall well and truly pay, or cause to be paid, the principal of and interest and any redemption premium on the 2022A Bonds due or to become due thereon, at the times and in the manner provided in the 2022A Bonds according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof, then upon such final payments or deposits as herein provided, the Indenture and the rights hereby granted shall cease, terminate and be void; otherwise the Indenture shall remain in full force and effect.

THE INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all 2022A Bonds issued and secured hereunder are to be issued, authenticated and delivered, and all sold property, rights and interests, including, without limitation, the Revenues, hereby assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the District has agreed and covenanted and does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the 2022A Bonds, as follows:

ARTICLE I

DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of the Indenture and of any indenture supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

Accountant's Report. The term "Accountant's Report" means a report signed by an Independent Certified Public Accountant.

Authorized Representative. The term "Authorized Representative" means, with respect to the District, its President, Vice President, Secretary, General Manager, Finance Director or any other person designated as an Authorized Representative of the District by a Certificate of the District signed by its President, Vice President, Secretary, General Manager or Finance Director and filed with the Trustee.

Bond Counsel. The term "Bond Counsel" means Stradling Yocca Carlson & Rauth, a Professional Corporation, or another firm of nationally recognized attorneys experienced in the issuance of obligations the interest on which is excludable from gross income under Section 103 of the Code.

Bond Proceeds Fund. The term "Bond Proceeds Fund" means the fund by that name established pursuant to 3.02.

Bonds. The term "Bonds" means all revenue bonds or notes of the District authorized, executed, issued and delivered by the District, the payments of which are payable from Net Revenues on a parity with the 2022A Bonds and which are secured by a pledge of and lien on Revenues as described in Section 5.01 hereof, including but not limited to the 2012A Bonds, 2018A Bonds and 2022B Bonds.

Business Day. The term "Business Day" means: (i) a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the State, or in any other state in which the Office of the Trustee is located, are closed; or (ii) a day on which the New York Stock Exchange is not closed.

Certificate; Direction; Request; Requisition. The terms "Certificate," "Direction," "Request," and "Requisition" of the District mean a written certificate, direction, request or requisition signed in the name of the District by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.02, each such instrument shall include the statements provided for in Section 1.02.

Closing Date. The term "Closing Date" means the date on which the 2022A Bonds are delivered to the original purchaser thereof.

Code. The term "Code" means the Internal Revenue Code of 1986, as amended.

Continuing Disclosure Certificate. The term “Continuing Disclosure Certificate” means the Continuing Disclosure Certificate, dated the Closing Date, by the District, as originally executed and as it may be from time to time amended or supplemented in accordance with its terms.

Contracts. The term “Contracts” means any contracts of the District authorized and executed by the District, which are payable from Net Revenues on a parity with the 2022A Bonds and which are secured by a pledge and lien on Revenues as described in Section 5.01 hereof; but excluding contracts entered into for operation and maintenance of the Water System.

Corporation. The term “Corporation” means the Sacramento Suburban Water District Financing Corporation, a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California.

Costs of Issuance. The term “Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, issuance, sale and delivery of the 2022A Bonds, including but not limited to costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Trustee and counsel to the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, title insurance premiums, letter of credit fees and bond insurance premiums (if any), fees and charges for preparation, execution and safekeeping of the 2022A Bonds and any other cost, charge or fee in connection with the original issuance of the 2022A Bonds.

Costs of Issuance Fund. The term “Costs of Issuance Fund” means the fund by that name established pursuant to Section 3.03.

Date of Operation. The term “Date of Operation” means, with respect to any uncompleted component of a Parity Project, the estimated date by which such uncompleted component of a Parity Project will have been completed and, in the opinion of an engineer, will be ready for operation by or on behalf of the District.

Debt Service. The term “Debt Service” means, for any period of calculation, the sum of:

(1) the interest payable during such period on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program);

(2) those portions of the principal amount of all outstanding serial Bonds maturing in such period (but excluding Excluded Principal);

(3) those portions of the principal amount of all outstanding term Bonds required to be redeemed or paid in such period (but excluding Excluded Principal); and

(4) those portions of the Contracts required to be made during such period, (except to the extent that the interest evidenced and represented thereby is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to

Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program) and except Excluded Principal);

but less the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for Bonds or Contracts;

provided that, as to any such Bonds or Contracts bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to bear interest at a fixed rate equal to the higher of: (i) the then current variable interest rate borne by such Bonds or Contracts plus 1%; and (ii) the highest variable rate borne over a 6 month period during the preceding 24 months by outstanding variable rate debt issued by the District or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued; and

provided further that if any series or issue of such Bonds or Contracts have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year (and such principal is not Excluded Principal), Debt Service shall be determined for the period of determination as if the principal of and interest on such series or issue of such Bonds or Contracts were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of thirty (30) years from the date of calculation;

provided further that, as to any such Bonds or Contracts or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Bonds or Contracts or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and

provided further that if the Bonds or Contracts constitute Paired Obligations, the interest rate on such Bonds or Contracts shall be the resulting linked rate or the effective fixed interest rate to be paid by the District with respect to such Paired Obligations but only if the applicable Paired Obligations satisfies the requirement set forth in Section 11.16 hereof; 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 Bonds and Contracts for which such debt service reserve fund was established and to the extent the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each preceding year, in descending order, until such amount is exhausted.

Depository; DTC. The term “Depository” or “DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York in its capacity as securities depository for the 2022A Bonds.

District. The term “District” means Sacramento Suburban Water District, a county water district duly organized and existing under and by virtue of the laws of the State.

Event of Default. The term “Event of Default” means any of the events specified in Section 7.01.

Excluded Principal. The term “Excluded Principal” means each payment of principal of any Bond or Contract for which there is on file with the Trustee (i) a certificate of an Independent Municipal Consultant to the effect that such Bond or Contract is commercial paper or otherwise of a revolving nature and has a maturity of less than 42 months and (ii) a certificate of an Authorized Representative to the effect that the District intends to pay such principal from the proceeds of Bonds or Contracts or other bonds, notes or other obligations of the District. No such determination shall affect the security for such Bonds or Contracts or the obligation of the District to pay such Bonds or Contracts from Net Revenues.

Federal Securities. The term “Federal Securities” means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or noncallable obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by the United States of America.

Fiscal Year. The term “Fiscal Year” means the twelve month period beginning on January 1 of each year and ending on December 31 of such year, both dates inclusive, or any other twelve month period hereafter selected and designated as the official fiscal year period of the District.

Generally Accepted Accounting Principles. The term “Generally Accepted Accounting Principles” means the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

Indenture. The term “Indenture” means the Indenture of Trust, dated as of March 1, 2022, by and between the District and the Trustee, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

Independent Certified Public Accountant. The term “Independent Certified Public Accountant” means any firm of certified public accountants appointed by the District, each of whom is independent of the District pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

Independent Municipal Consultant. The term “Independent Municipal Consultant” means a municipal advisor or firm of such municipal advisors appointed by the District, which may, for purposes of the certification described in the definition of “Paired Obligations” be an interest rate swap adviser, and who, or each of whom: (1) is in fact independent and not under domination of the District; (2) does not have any substantial interest, direct or indirect, with the District; (3) is registered as a “municipal advisor,” as defined in Section 15B of the Securities Exchange Act of 1934, as amended; and (4) is not connected with the District as an officer or employee thereof, but who may be regularly retained to make reports thereto.

Information Services. The term “Information Services” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the District may specify in a certificate to the Trustee and as the Trustee may select.

Initial Rating Requirement. The term “Initial Rating Requirement” means the rating requirement described in Section 11.16(a).

Interest Account. The term “Interest Account” means the account by that name in the Payment Fund established pursuant to Section 5.02.

Interest Payment Date. The term “Interest Payment Date” means May 1, 2022 and each November 1 and May 1 thereafter.

Investment Agreement. The term “Investment Agreement” means an investment agreement supported by appropriate opinions of counsel; provided the provider thereof or the guarantor thereof is rated at least “AA” and “Aa” by S&P and Moody’s, respectively.

Letter of Representations. The term “Letter of Representations” means the letter of the District delivered to and accepted by the Depository on or prior to delivery of the 2022A Bonds as book entry bonds setting forth the basis on which the Depository serves as depository for such book entry bonds, as originally executed or as it may be supplemented or revised or replaced by a letter from the District delivered to and accepted by the Depository.

Minimum Rating Requirement. The term “Minimum Rating Requirement” means the rating requirement described in Section 11.16(b).

Moody’s. The term “Moody’s” means Moody’s Investors Service, Inc., or any successor thereto.

Net Proceeds. The term “Net Proceeds” means, when used with respect to any casualty insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all expenses (including attorneys fees) incurred in the collection of such proceeds.

Net Revenues. The term “Net Revenues” means, for any Fiscal Year, the Revenues for such Fiscal Year less the Operation and Maintenance Costs for such Fiscal Year. When held by the Trustee in any funds or accounts established hereunder, Net Revenues shall include all interest or gain derived from the investment of amounts in any of such funds or accounts.

Nominee. The term “Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.08 hereof.

Office of the Trustee. The term “Office of the Trustee” means the principal corporate trust office of the Trustee in San Francisco, California, provided that for purposes of payment, redemption, exchange, transfer, surrender and cancellation of 2022A Bonds, such term means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as the Trustee may from time to time designate in writing to the District and the Owners.

Operation and Maintenance Costs. The term “Operation and Maintenance Costs” means: (1) costs spent or incurred for maintenance and operation of the Water System calculated in accordance with Generally Accepted Accounting Principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Water System in good repair and working order, and including administrative costs of the District that are charged directly or apportioned to the Water System, including but not limited to

salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the District or charges (other than debt service payments) required to be paid by it to comply with the terms of the 2022A Bonds or of the Indenture or any Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds; and (2) costs spent or incurred in the purchase of water for the Water System (including fixed, variable or other costs); but excluding in all cases: (w) depreciation, replacement and obsolescence charges or reserves therefor; (x) losses on the disposal of capital assets; (y) payment of grants received by the District for activities unrelated to the Water System to other entities; and (z) amortization of intangibles and other non-cash operating expenses and other bookkeeping entries of a similar nature and all capital charges.

Opinion of Counsel. The term “Opinion of Counsel” means a written opinion of counsel (including but not limited to counsel to the District) selected by the District. If and to the extent required by the provisions of Section 1.02, each Opinion of Counsel shall include the statements provided for in Section 1.02.

Outstanding. The term “Outstanding,” when used as of any particular time with reference to 2022A Bonds, means (subject to the provisions of Section 11.09) all 2022A Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Indenture except: (i) 2022A Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) 2022A Bonds with respect to which all liability of the District shall have been discharged in accordance with Section 10.02, including 2022A Bonds (or portions thereof) described in Section 11.09; and (iii) 2022A Bonds for the transfer or exchange of or in lieu of or in substitution for which other 2022A Bonds shall have been authenticated and delivered by the Trustee pursuant to the Indenture.

Owner; 2022A Bond Owner. The term “Owner” or “2022A Bond Owner,” whenever used herein with respect to a 2022A Bond, means the person in whose name the ownership of such 2022A Bond is registered on the Registration Books.

Paired Obligation Provider. The term “Paired Obligation Provider” means a party to a Paired Obligation other than the District.

Paired Obligations. The term “Paired Obligations” means any Bond or Contract (or portion thereof) designated as Paired Obligations in the resolution, indenture or other document authorizing the issuance or execution and delivery thereof, which are simultaneously issued or executed and delivered: (i) the principal of which is of equal amount maturing and to be redeemed or prepaid (or cancelled after acquisition thereof) on the same dates and in the same amounts; and (ii) the interest rates which, taken together, are reasonably expected to result in a fixed interest rate obligation of the District for the term of such Bond or Contract, as certified by an Independent Municipal Consultant in writing, and which comply with the provisions of Section 11.16 hereof.

Parity Project. The term “Parity Project” means any additions, betterments, extensions or improvements designated by the Board of Directors of the District as a Parity Project, the acquisition and construction of which is to be paid for with the proceeds of any Contracts or Bonds.

Participants. The term “Participants” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book entry certificates as securities depository.

Payment Fund. The term “Payment Fund” means the fund by that name established pursuant to Section 5.02.

Permitted Investments. The term “Permitted Investments” means any of the following obligations if and to the extent that they are permissible investments of funds of the District:

(a) Direct obligations of the United States (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (“Eximbank”)
Direct obligations or fully guaranteed certificates of beneficial ownership
2. Farmers Home Administration (“FmHA”)
Certificates of beneficial ownership
3. Federal Financing Bank
4. Federal Housing Administration Debentures (“FHA”)
5. General Services Administration
Participation certificates
6. Government National Mortgage Association (“GNMA”)
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations (not acceptable for certain cash-flow sensitive issues)
7. United States Maritime Administration
Guaranteed Title XI financing
8. United States Department of Housing and Urban Development (“HUD”)
Project Notes
Local Authority Bonds
New Communities Debentures
United States government guaranteed debentures
United States Public Housing Notes and Bonds
United States government guaranteed public housing notes and bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit United States government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
Senior debt obligations
2. Federal Home Loan Mortgage Corporation (“FHLMC”)
Participation Certificates
Senior debt obligations
3. Federal National Mortgage Association (“FNMA”)
Mortgage-backed securities and senior debt obligations
4. Student Loan Marketing Association (“SLMA”)
Senior debt obligations
5. Resolution Funding Corporation obligations
6. Farm Credit System
Consolidated system-wide bonds and notes

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of “AAAm-G,” “AAA-m” or “AA-m” and if rated by Moody’s rated “Aaa,” “Aa1” or “Aa2,” including funds for which the Trustee or any of its affiliates (including any holding company, subsidiaries, or other affiliates) provides investment advisory or other management services but excluding such funds with a floating net asset value, provided such funds satisfy the criteria contained in this Indenture.

(e) Certificates of deposit secured at all times by collateral described in clauses (a) and/or (b) above. Such certificates must be issued by commercial banks (including affiliates of the Trustee), savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits (including those of the Trustee and its affiliates) which are fully insured by FDIC, or secured at all times by collateral described in clauses (a) and/or (b) above.

(g) Investment Agreements, including guaranteed investment contracts, forward purchase agreements and reserve fund put agreements.

(h) Commercial paper rated, at the time of purchase, “Prime-1” by Moody’s and “A-1” or better by S&P.

(i) Bonds or notes issued by any state or municipality which are rated by Moody’s and S&P in one of the two highest Rating Categories assigned by such agencies.

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank (including those of the Trustee and its affiliates) which has an unsecured, uninsured and unguaranteed obligation rating of “Prime-1” or “A3” or better by Moody’s and “A-1” or “A” or better by S&P.

(k) Repurchase agreements for 30 days or less must follow the following criteria. Repurchase agreements which provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date; and:

1. Repurchase agreements must be between the municipal entity and a dealer bank or securities firm;

A. Primary dealers on the Federal Reserve reporting dealer list which are rated "A" or better by S&P and Moody's; or

B. Banks rated "A" or above by S&P and Moody's.

2. The written repurchase agreements contract must include the following:

A. Securities which are acceptable for transfer are:

(1) Direct United States governments, or

(2) Federal agencies backed by the full faith and credit of the United States government (and FNMA & FHLMC)

B. The term of a repurchase agreement may be up to 30 days

C. The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

D. Valuation of Collateral

(1) The securities must be valued weekly, marked to market at current market price plus accrued interest.

(2) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

(3) A legal opinion must be delivered to the municipal entity to the effect that the repurchase agreement meets guidelines under state law for legal investment of public funds.

(l) Any state administered pool investment fund in which the District is statutorily permitted or required to invest will be deemed a permitted investment, including, but not limited to the Local Agency Investment Fund in the treasury of the State.

Principal Account. The term “Principal Account” means the account by that name in the Payment Fund established pursuant to Section 5.02.

Rating. The term “Rating” means any currently effective rating on the 2022A Bonds issued by a Rating Agency.

Rating Agency. The term “Rating Agency” means S&P.

Rebate Fund. The term “Rebate Fund” means the fund by that name established pursuant to Section 5.07.

Record Date. The term “Record Date” means, with respect to any Interest Payment Date, the fifteenth (15th) day of the calendar month preceding such Interest Payment Date, whether or not such day is a Business Day.

Redemption Date. The term “Redemption Date” means the date fixed for an optional redemption prior to maturity of the 2022A Bonds.

Redemption Fund. The term “Redemption Fund” means the fund by that name established pursuant to Section 5.05.

Redemption Price. The term “Redemption Price” means, with respect to any 2022A Bond (or portion thereof), the principal amount of such 2022A Bond (or portion) plus the interest accrued to the applicable Redemption Date and the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such 2022A Bond and the Indenture.

Registration Books. The term “Registration Books” means the records maintained by the Trustee for the registration of ownership and registration of transfer of the 2022A Bonds pursuant to Section 2.05.

Responsible Officer of the Trustee. The term “Responsible Officer of the Trustee” means any officer within the corporate trust services division of the Trustee (or any successor group or department of the Trustee) including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, with responsibility for the administration of the Indenture.

Revenue Fund. The term “Revenue Fund” means the District account previously established by the District designated as account number 00-11521, and such other funds as the Board of Directors of the District shall establish and designate as a part of the Revenue Fund established pursuant to Section 5.01(b).

Revenues. The term “Revenues” means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Water System, including, without limiting the generality of the foregoing:

(1) all income, rents, rates, fees, charges or other moneys derived by the District from the sale, furnishing and supplying of the water or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Water System determined in accordance with Generally Accepted Accounting Principles;

(2) the proceeds of any stand-by or water availability charges, development fees and connection charges collected by the District; and

(3) the earnings on and income derived from the investment of amounts described in clauses (1) and (2) above and from District reserves;

but excluding:

(w) customers' deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District;

(x) any proceeds of taxes or assessments restricted by law to be used by the District to pay bonds or other obligations heretofore or hereafter issued;

(y) grant revenues received by the District for activities unrelated to the Water System and to be passed through to other entities; and

(z) revenues of any water system acquired through merger, consolidation or similar action to the extent that the exclusion of such acquired water system is required pursuant to the terms of such merger, consolidation or similar action (provided, however, that the exclusion from Revenues set forth in this subsection (z) shall not apply if the District shall have executed and delivered Contracts or issued Bonds to finance the acquisition of or capital improvement to any such water system).

S&P. The term "S&P" means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, or any successor thereto.

Securities Depositories. The term "Securities Depositories" means The Depository Trust Company; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District deliver to the Trustee.

State. The term "State" means the State of California.

Supplemental Indenture. The term "Supplemental Indenture" means any indenture hereafter duly authorized and entered into between the District and the Trustee, supplementing, modifying or amending the Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

Tax Certificate. The term "Tax Certificate" means the Tax Certificate dated the Closing Date, concerning certain matters pertaining to the use and investment of proceeds of the 2022A Bonds issued by the District on the date of issuance of the 2022A Bonds, including any and all exhibits attached thereto.

Termination Payment. The term “Termination Payment” means any net settlement, breakage or other termination payment required to be paid under any other interest rate hedge, swap, cap, collar or similar arrangement entered into by the District as permitted hereunder.

Trustee. The term “Trustee” means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, or its successor as Trustee hereunder as provided in Section 8.01.

2009A Certificates. The term “2009A Certificates” means the Sacramento Suburban Water District Adjustable Rate Refunding Revenue Certificates of Participation, Series 2009A executed and delivered on June 30, 2009.

2009A Trust Agreement. The term “2009A Trust Agreement” means the Trust Agreement, dated as of March 1, 2009 by and among the District, the Sacramento Suburban Water District Financing Corporation and the 2009A Trustee, pursuant to which the 2009A Certificates were executed and delivered.

2009A Trustee. The term “2009A Trustee” means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, as successor trustee to MUFG Union Bank, N.A., as trustee of the 2009A Certificates.

2012A Bonds. The term “2012A Bonds” means the Sacramento Suburban Water District Refunding Revenue Bonds, 2012A outstanding from time-to-time.

2018A Bonds. The term “2018A Bonds” means the Sacramento Suburban Water District Refunding Revenue Bonds, 2018A (Taxable) outstanding from time-to-time.

2022A Bonds. The term “2022A Bonds” means the Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022A issued hereunder.

2022B Bonds. The term “2022B Bonds” means the Sacramento Suburban Water District Refunding Revenue Bonds, 2022B (Taxable) outstanding from time-to-time.

Valuation Date. “Valuation Date” means the fifth Business Day preceding the date of redemption.

Value. The term “Value,” which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(a) for the purpose of determining the amount of any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include, but are not limited to, pricing services provided by Financial Times Interactive Data Corporation, Bank of America Merrill Lynch and Morgan Stanley Smith Barney.

(b) As to certificates of deposit and bankers’ acceptances: the face amount thereof, plus accrued interest.

(c) As to any investment not specified above: market value, or, if the market value is not ascertainable by the District or the Trustee, at cost.

Water Service. The term “Water Service” means the water distribution service made available or provided by the Water System.

Water System. The term “Water System” means the whole and each and every part of the water system of the District, including all real property and buildings, including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to such water system or electric facilities or any part thereof hereafter acquired or constructed, and excluding any water system acquired through merger, consolidation or similar action, to the extent that the exclusion of such acquired water system is required pursuant to the term of such merger, consolidation or similar action unless the District shall have executed and delivered Contracts or issued Bonds to finance the acquisition of or capital improvement to any such acquired water system.

Written Consent of the District; Written Order of the District; Written Request of the District; Written Requisition of the District. The terms “Written Consent of the District,” “Written Order of the District,” “Written Request of the District,” and “Written Requisition of the District” mean, respectively, a written consent, order, request or requisition signed by or on behalf of the District by the President or General Manager or its Finance Director or by the Secretary or by any two persons (whether or not members of the Board of Directors) who are specifically authorized by resolution of the District to sign or execute such a document on its behalf.

Section 1.02. Content of Certificates and Opinions. Every certificate or opinion provided for in the Indenture except the certificate of destruction provided for in Section 11.05 hereof, with respect to compliance with any provision hereof shall include: (1) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such person he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; (4) a statement of the assumptions upon which such certificate or opinion is based, and that such assumptions are reasonable; and (5) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate or opinion made or given by an officer of the District may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an Independent Certified Public Accountant or Independent Municipal Consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel or an Independent Certified Public Accountant or Independent Municipal Consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the District) upon a certificate or opinion of or representation by an officer of the District, unless such counsel or Independent Certified Public Accountant or Independent Municipal Consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person’s certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the District, or the same counsel or Independent Certified Public Accountant or Independent Municipal Consultant, as the

case may be, need not certify to all of the matters required to be certified under any provision of the Indenture, but different officers, counsel or Independent Certified Public Accountants or Independent Municipal Consultants may certify to different matters, respectively.

Section 1.03. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to the Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE 2022A BONDS

Section 2.01. Authorization of 2022A Bonds. The District hereby authorizes the issuance hereunder from time to time of the 2022A Bonds, which shall constitute special obligations of the District, for the purpose of refunding the outstanding 2009A Certificates. The 2022A Bonds are hereby designated the “Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022A” in the aggregate principal amount of \$_____. The Indenture constitutes a continuing agreement with the Owners from time to time of the 2022A Bonds to secure the full payment of the principal of and interest and premium (if any) on all the 2022A Bonds, subject to the covenants, provisions and conditions herein contained.

Section 2.02. Terms of the 2022A Bonds. The 2022A Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof.

(a) The 2022A Bonds shall mature on November 1 in each of the years and in the amounts set forth below and shall bear interest on each Interest Payment Date at the rates set forth below:

<i>Maturity Date</i> <i>(November 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
	\$	%

Interest on the 2022A Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee sent by first class mail on the applicable Interest Payment Date to the Owner at the address of such Owner as it appears on the Registration Books (except that in the case of an Owner of one million dollars (\$1,000,000) or more in principal amount, such payment may, at such Owner's option, be made by wire transfer of immediately available funds to an account in the United States in accordance with written instructions provided to the Trustee by such Owner prior to the Record Date. Principal of and premium (if any) on any 2022A Bond shall be paid by check of the Trustee upon presentation and surrender thereof at maturity or upon the prior redemption thereof, at the Office of the Trustee. Both the principal of and interest and premium (if any) on the 2022A Bonds shall be payable in lawful money of the United States of America.

Each 2022A Bond shall be dated the date of initial delivery, and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless: (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) unless it is authenticated on or before April 15, 2022, in which event it shall bear interest from the date of initial delivery; provided, however, that if, as of the date of authentication of any 2022A Bond, interest thereon is in default, such 2022A Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Interest on the 2022A Bonds shall be calculated on the basis of a 360 day year composed of twelve 30 day months.

Section 2.03. Transfer of 2022A Bonds. Any 2022A Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such 2022A Bond at the Office of the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. The Trustee shall not be required to register the transfer of any 2022A Bond during the period in which the Trustee is selecting 2022A Bonds for redemption and any 2022A Bond that has been selected for redemption.

Whenever any 2022A Bond or 2022A Bonds shall be surrendered for transfer, the District shall execute and the Trustee shall authenticate and shall deliver a new 2022A Bond or 2022A Bonds of authorized denomination or denominations for a like series and aggregate principal amount of the same maturity. The Trustee shall require the 2022A Bond Owner requesting such transfer to pay any

tax or other governmental charge required to be paid with respect to such transfer. Following any transfer of 2022A Bonds, the Trustee will cancel and destroy the 2022A Bonds it has received.

Section 2.04. Exchange of 2022A Bonds. 2022A Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of other authorized denominations of the same series and maturity. The Trustee shall not be required to exchange any 2022A Bond during the period in which the Trustee is selecting 2022A Bonds for redemption and any 2022A Bond that has been selected for redemption. The Trustee shall require the 2022A Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. Following any exchange of 2022A Bonds, the Trustee will cancel and destroy the 2022A Bonds it has received.

Section 2.05. Registration Books. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the 2022A Bonds, which shall upon reasonable notice and at reasonable times be open to inspection during regular business hours by the District and the Owners; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the 2022A Bonds as hereinbefore provided.

The person in whose name any 2022A Bond shall be registered shall be deemed the Owner thereof for all purposes hereof, and payment of or on account of the interest on and principal and Redemption Price of by such 2022A Bonds shall be made only to or upon the order in writing of such registered Owner, which payments shall be valid and effectual to satisfy and discharge liability upon such 2022A Bond to the extent of the sum or sums so paid.

Section 2.06. Form and Execution of 2022A Bonds. The 2022A Bonds shall be in substantially the form set forth in Exhibit A hereto. The 2022A Bonds shall be executed in the name and on behalf of the District with the manual or facsimile signature of its President. The 2022A Bonds may carry a seal, and such seal may be in the form of a facsimile of the District's seal and may be reproduced, imprinted or impressed on the 2022A Bonds. The 2022A Bonds shall then be delivered to the Trustee for authentication by it. In case any of the officers who shall have signed or attested any of the 2022A Bonds shall cease to be such officer or officers of the District before the 2022A Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the District, such 2022A Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the District as though those who signed and attested the same had continued to be such officers of the District, and also any 2022A Bonds may be signed and attested on behalf of the District by such persons as at the actual date of execution of such 2022A Bonds shall be the proper officers of the District although at the nominal date of such 2022A Bonds any such person shall not have been such officer of the District.

Only such of the 2022A Bonds as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibit A hereto, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of the Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the 2022A Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of the Indenture.

Section 2.07. 2022A Bonds Mutilated, Lost, Destroyed or Stolen. If any 2022A Bond shall become mutilated, the District, at the expense of the Owner of said 2022A Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new 2022A Bond of like tenor, series and authorized denomination in exchange and substitution for the 2022A Bonds so mutilated, but only upon surrender to the Trustee of the 2022A Bond so mutilated. Every mutilated 2022A Bond so surrendered to the Trustee shall be canceled by it. If any 2022A Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the District, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new 2022A Bond of like tenor, series and authorized denomination in lieu of and in substitution for the 2022A Bond so lost, destroyed or stolen (or if any such 2022A Bond shall have matured or shall be about to mature, instead of issuing a substitute 2022A Bond, the Trustee may pay the same without surrender thereof). The District may require payment by the Owner of a sum not exceeding the actual cost of preparing each new 2022A Bond issued under this Section and of the expenses which may be incurred by the District and the Trustee in the premises. Any 2022A Bond issued under the provisions of this Section in lieu of any 2022A Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the 2022A Bond so alleged to be lost, destroyed, or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of the Indenture with all other 2022A Bonds secured by the Indenture. Notwithstanding any other provision of this Section, in lieu of delivering a new 2022A Bond for a 2022A Bond which has been mutilated, lost, destroyed or stolen and which has matured or has been selected for redemption, the Trustee may make payment of such 2022A Bond upon receipt of indemnity satisfactory to the Trustee.

Section 2.08. Book Entry System.

(a) Election of Book Entry System. Prior to the issuance of the 2022A Bonds, the District may provide that such 2022A Bonds shall be initially issued as book entry 2022A Bonds. If the District shall elect to deliver any 2022A Bonds in book entry form, then the District shall cause the delivery of a separate single fully registered bond (which may be typewritten) for each maturity date of such 2022A Bonds in an authorized denomination corresponding to that total principal amount of the 2022A Bonds designated to mature on such date. Upon initial issuance, the ownership of each such 2022A Bond shall be registered in the 2022A Bond Registration Books in the name of the Nominee, as nominee of the Depository, and ownership of the 2022A Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 2.08(e).

With respect to book entry 2022A Bonds, the District and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book entry 2022A Bonds. Without limiting the immediately preceding sentence, the District and the Trustee shall have no responsibility or obligation with respect to: (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book entry 2022A Bonds; (ii) the delivery to any Participant or any other person, other than an Owner as shown in the 2022A Bond Registration Books, of any notice with respect to book entry 2022A Bonds, including any notice of redemption; (iii) the selection by the Depository and its Participants of the beneficial interests in book entry 2022A Bonds to be redeemed in the event the District redeems the 2022A Bonds in part; or (iv) the payment by the Depository or any Participant or any other person, of any amount of principal of, premium, if any, or interest on book entry 2022A Bonds. The District and the Trustee may treat and consider the person in whose name each book entry 2022A Bond is registered in the 2022A Bond Registration Books as the

absolute Owner of such book entry 2022A Bond for the purpose of payment of principal of, premium and interest on such 2022A Bond, for the purpose of giving notices of redemption and other matters with respect to such 2022A Bond, for the purpose of registering transfers with respect to such 2022A Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the 2022A Bonds only to or upon the order of the respective Owner, as shown in the 2022A Bond Registration Books, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the 2022A Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the 2022A Bond Registration Books, shall receive a 2022A Bond evidencing the obligation to make payments of principal of, premium, if any, and interest on the 2022A Bonds. Upon delivery by the Depository to the District and the Trustee, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in the Indenture shall refer to such nominee of the Depository.

(b) Delivery of Letter of Representations. In order to qualify the book entry 2022A Bonds for the Depository's book entry system, the District shall execute and deliver to the Depository a Letter of Representations if one is not already on file. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Trustee any obligation whatsoever with respect to persons having interests in such book entry 2022A Bonds other than the Owners, as shown on the 2022A Bond Registration Books. In addition to the execution and delivery of a Letter of Representations, the District shall take such other actions, not inconsistent with the Indenture, as are reasonably necessary to qualify book entry 2022A Bonds for the Depository's book entry program.

(c) Selection of Depository. In the event that: (i) the Depository determines not to continue to act as securities depository for book entry 2022A Bonds; or (ii) the District determines that continuation of the book entry system is not in the best interest of the beneficial owners of the 2022A Bonds or the District, then the District will discontinue the book entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered 2022A Bond for each of the maturity dates of such book entry 2022A Bonds, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (e) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the 2022A Bonds shall no longer be restricted to being registered in such 2022A Bond Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such 2022A Bonds shall designate, in accordance with the provisions of Sections 2.03 and 2.04 hereof.

(d) Payments To Depository. Notwithstanding any other provision of the Indenture to the contrary, so long as all Outstanding 2022A Bonds are held in book entry form and registered in the name of the Nominee, all payments of principal of, redemption premium, if any, and interest on such 2022A Bond and all notices with respect to such 2022A Bond shall be made and given, respectively to the Nominee, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Trustee notwithstanding any inconsistent provisions herein.

(e) Transfer of 2022A Bonds to Substitute Depository.

(i) The 2022A Bonds shall be initially issued as provided in Section 2.01 hereof. Registered ownership of such 2022A Bonds, or any portions thereof, may not thereafter be transferred except:

(A) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to clause (B) of subsection (i) of this Section 2.08(e) (“Substitute Depository”); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(B) to any Substitute Depository, upon: (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository; or (2) a determination by the District that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(C) to any person as provided below, upon: (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository; or (2) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(ii) In the case of any transfer pursuant to clause (A) or clause (B) of subsection (i) of this Section 2.08(e), upon receipt of all Outstanding 2022A Bonds by the Trustee, together with a Written Request of the District to the Trustee designating the Substitute Depository, a single new 2022A Bond, which the District shall prepare or cause to be prepared, shall be issued for each maturity of 2022A Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such Written Request of the District. In the case of any transfer pursuant to clause (C) of subsection (i) of this Section 2.08(e), upon receipt of all Outstanding 2022A Bonds by the Trustee, together with a Written Request of the District to the Trustee, new 2022A Bonds, which the District shall prepare or cause to be prepared, shall be issued in such denominations and registered in the names of such persons as are requested in such Written Request of the District, subject to the limitations of Section 2.01 hereof, provided that the Trustee shall not be required to deliver such new 2022A Bonds within a period of less than sixty (60) days from the date of receipt of such Written Request from the District.

(iii) In the case of a partial redemption or an advance refunding of any 2022A Bonds evidencing a portion of the principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such 2022A Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee, all in accordance with the Letter of Representations. The Trustee shall not be liable for such Depository’s failure to make such notations or errors in making such notations and the records of the Trustee as to the Outstanding principal amount of such 2022A Bonds shall be controlling.

(iv) The District and the Trustee shall be entitled to treat the person in whose name any 2022A Bond is registered as the Owner thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the District; and the District and the Trustee shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the 2022A Bonds. Neither the District nor the Trustee shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including DTC or its successor (or

Substitute Depository or its successor), except to the Owner of any 2022A Bonds, and the Trustee may rely conclusively on its records as to the identity of the Owners of the 2022A Bonds.

ARTICLE III

ISSUANCE OF 2022A BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance of the 2022A Bonds. At any time after the execution of the Indenture, the District may execute and the Trustee shall authenticate and, upon Written Request of the District, deliver the 2022A Bonds in the aggregate principal amount of \$_____.

Section 3.02. Establishment of Bond Proceeds Fund; Application of Proceeds of the 2022A Bonds. The Trustee shall establish, maintain and hold in trust a separate fund designated the “Bond Proceeds Fund.” The proceeds received from the sale of the 2022A Bonds shall be deposited in the Bond Proceeds Fund with the Trustee, who shall transfer the amount of \$_____ to the 2009A Trustee for deposit in the prepayment fund created pursuant to the 2009A Trust Agreement and deposit the amount of \$_____ in the Costs of Issuance Fund. Following the foregoing transfers and deposits, the Trustee shall close the Bond Proceeds Fund. The Trustee may establish temporary funds or accounts in its records to record and facilitate such transfer and deposits.

Section 3.03. Establishment and Application of Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the “Costs of Issuance Fund.” The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance upon submission of Requisitions of the District stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred, that such payment is proper charge against said fund and that payment for such charge has not previously been made. Each such Requisition of the District shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the six month anniversary of the issuance of the 2022A Bonds, or upon the earlier Written Request of the District, all amounts remaining in the Costs of Issuance Fund shall be transferred by the Trustee to the Interest Account and the Costs of Issuance Fund shall be closed. Investment earnings on amounts on deposit in the Costs of Issuance Fund shall be applied in accordance with Section 5.06 hereof.

Section 3.04. Validity of 2022A Bonds. The validity of the authorization and issuance of the 2022A Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the District or the Trustee with respect to any other agreement. The recital contained in the 2022A Bonds that the same are issued pursuant to the Constitution and laws of the State shall be conclusive evidence of the validity of and compliance with the provisions of law in their issuance.

ARTICLE IV

REDEMPTION OF 2022A BONDS

Section 4.01. Terms of Redemption.

(a) The 2022A Bonds shall be subject to extraordinary redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity and within maturities as directed by the District in a Written Request provided to the Trustee at least 60 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice

for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000 from Net Proceeds, upon the terms and conditions of, and as provided for in, Sections 6.19 and 6.23, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

(b) The 2022A Bonds with stated maturities on or after November 1, 20__ shall be subject to redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity as directed by the District in a Written Request provided to the Trustee at least 60 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000, on or after [May] 1, 20__, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

Section 4.02. Selection of 2022A Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the 2022A Bonds, the Trustee shall select the 2022A Bonds for redemption as a whole or in part on any date as directed by the District and by lot within each maturity in integral multiples of \$5,000 in accordance with Section 4.01 hereof. The Trustee will promptly notify the District in writing of the numbers of the 2022A Bonds or portions thereof so selected for redemption.

Section 4.03. Notice of Redemption. Notice of redemption shall be mailed by first class mail at least twenty (20) days but not more than sixty (60) days before any Redemption Date, to the respective Owners of any 2022A Bonds designated for redemption at their addresses appearing on the Registration Books, to the Securities Depositories and the Information Services; provided that, in the case of notice of optional redemption not related to an advance or current refunding, such notice may be given only if sufficient funds have been deposited with the Trustee to pay the applicable Redemption Price of the 2022A Bonds to be redeemed, provided that such notice may be cancelled by the District upon Written Request delivered to the Trustee not less than five (5) days prior to such Redemption Date. Each notice of redemption shall state the date of notice, the Redemption Date, the place or places of redemption, the Redemption Price, will designate the maturities, CUSIP numbers, if any, and, if less than all 2022A Bonds of any such maturity are to be redeemed, the serial numbers of the 2022A Bonds of such maturity to be redeemed by giving the individual number of each 2022A Bond or by stating that all 2022A Bonds between two stated numbers, both inclusive, have been called for redemption and, in the case of 2022A Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the Redemption Date there will become due and payable on each of said 2022A Bonds or parts thereof designated for redemption the Redemption Price thereof or of said specified portion of the principal thereof in the case of a 2022A Bond to be redeemed in part only, together with interest accrued thereon to the Redemption Date, and that (provided that moneys for redemption have been deposited with the Trustee) from and after such Redemption Date interest thereon shall cease to accrue, and shall require that such 2022A Bonds be then surrendered to the Trustee. Neither the failure to receive such notice nor any defect in the notice or the mailing thereof will affect the validity of the redemption of any 2022A Bond. Notice of redemption of 2022A Bonds shall be given by the Trustee, at the expense of the District, for and on behalf of the District.

With respect to any notice of optional redemption of 2022A Bonds, such notice may state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on

such 2022A Bonds to be redeemed and that, if such moneys shall not have been so received, said notice shall be of no force and effect and the Trustee shall not be required to redeem such 2022A Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made, and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Section 4.04. Partial Redemption of 2022A Bonds. Upon surrender of any 2022A Bond redeemed in part only, the District shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the District, a new 2022A Bond or 2022A Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the 2022A Bonds surrendered and of the same series, interest rate and maturity.

Section 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the date fixed for redemption on, the 2022A Bonds (or portions thereof) so called for redemption being held by the Trustee, on the Redemption Date designated in such notice, the 2022A Bonds (or portions thereof) so called for redemption shall become due and payable, interest on the 2022A Bonds so called for redemption shall cease to accrue, said 2022A Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Indenture, and the Owners of said 2022A Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof. The Trustee shall, upon surrender for payment of any of the 2022A Bonds to be redeemed on their Redemption Dates, pay such 2022A Bonds at the Redemption Price.

All 2022A Bonds redeemed pursuant to the provisions of this Article shall be canceled upon surrender thereof to the Trustee.

ARTICLE V

REVENUES, FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.01. Pledge and Assignment; Revenue Fund.

(a) All of the Revenues, all amounts held in the Revenue Fund described in subsection (b) below and any other amounts (including proceeds of the sale of the 2022A Bonds) held in any fund or account established pursuant to the Indenture are hereby irrevocably pledged to secure the payment of the principal of and interest, and the premium, if any, on the 2022A Bonds in accordance with their terms and the provisions of the Indenture, and the Revenues shall not be used for any other purpose while the 2022A Bonds remain Outstanding; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted herein. Said pledge, together with the pledge created by all other Contracts and Bonds, shall constitute a first lien on and security interest on Revenues and, subject to application of Revenues and all amounts on deposit therein as permitted herein, the Revenue Fund and other funds and accounts created hereunder for the payment of the principal of and interest, and the premium, if any, on the 2022A Bonds and all Contracts and Debt Service on Bonds in accordance with the terms hereof, and shall attach, be perfected and be valid and binding from and after the Closing Date, without any physical delivery thereof or further act and shall be valid and binding against all parties having claims of any

kind in tort, contract or otherwise against the District, irrespective of whether such parties have notice hereof.

(b) In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants that all Revenues shall be received by the District in trust hereunder and shall be deposited when and as received in a special fund designated as the "Revenue Fund," which fund is hereby continued and which fund the District agrees and covenants to maintain and to hold separate and apart from other funds so long as the 2022A Bonds and any Contracts or Debt Service on Bonds remain unpaid. Moneys in the Revenue Fund shall be used and applied by the District as provided herein. All moneys in the Revenue Fund shall be held in trust and shall be applied, used and withdrawn for the purposes set forth in this Section.

The District shall, from the moneys in the Revenue Fund, pay all Operation and Maintenance Costs (including amounts reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required) as such Operation and Maintenance Costs become due and payable. All remaining moneys in the Revenue Fund shall be set aside by the District at the following times for the transfer to the following respective special funds in the following order of priority:

(i) Interest and Principal Payments. Not later than the fifth Business Day prior to each Interest Payment Date, the District shall, from the moneys in the Revenue Fund, transfer to the Trustee for deposit in the Payment Fund the payments of interest and principal on the 2022A Bonds due and payable on such Interest Payment Date. The District shall also, from the moneys in the Revenue Fund, transfer to the applicable trustee for deposit in the respective payment fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, any other Debt Service in accordance with the provisions of any Bond or Contract.

(ii) Reserve Funds. On or before each Interest Payment Date the District shall, from the remaining moneys in the Revenue Fund, thereafter, without preference or priority and in the event of any insufficiency of such moneys ratably without any discrimination or preference, transfer to the Trustee for payment to the applicable trustee for reserve funds and/or accounts, if any, as may have been established in connection with Bonds or Contracts, that sum, if any, necessary to restore such funds or accounts to an amount equal to the reserve requirement with respect thereto.

(iii) Surplus. Moneys on deposit in the Revenue Fund on any date when the District reasonably expects such moneys will not be needed for the payment of Operation and Maintenance Costs or for any of the purposes described in clauses (b)(i) or (b)(ii) of this section may be expended by the District at any time for any purpose permitted by law, including but not limited to any Termination Payment or other unpaid amounts due to obligations subordinate hereto.

(iv) Investments. All moneys held by the District in the Revenue Fund shall be invested in Permitted Investments and the investment earnings thereon shall remain on deposit in the Revenue Fund, except as otherwise provided herein.

Section 5.02. Allocation of Revenues. There is hereby established with the Trustee the Payment Fund, which the Trustee covenants to maintain and hold in trust separate and apart from other funds held by it so long as any principal of and interest on the 2022A Bonds remain unpaid. Except as directed herein, all payments of interest and principal on the 2022A Bonds received by the

Trustee pursuant to Section 5.01(b) shall be promptly deposited by the Trustee upon receipt thereof into the Payment Fund; except that all moneys received by the Trustee and required hereunder to be deposited in the Redemption Fund shall be promptly deposited therein. All payments of interest and principal on the 2022A Bonds deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. The Trustee shall also establish and hold an Interest Account and a Principal Account within the Payment Fund.

The Trustee shall transfer from the Payment Fund and deposit into the following respective accounts the following amounts in the following order of priority and at the following times, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) Not later than the Business Day preceding each Interest Payment Date, the Trustee shall deposit in the Interest Account that sum, if any, required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such date on all 2022A Bonds then Outstanding. No deposit need be made into the Interest Account so long as there shall be in such fund moneys sufficient to pay the interest becoming due and payable on such date on all 2022A Bonds then Outstanding.

(b) Not later than the Business Day preceding each date on which the principal of the 2022A Bonds shall become due and payable hereunder, the Trustee shall deposit in the Principal Account that sum, if any, required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the 2022A Bonds coming due and payable on such date or subject to mandatory sinking fund redemption on such date. No deposit need be made into the Principal Account so long as there shall be in such fund moneys sufficient to pay the principal becoming due and payable on such date on all 2022A Bonds then Outstanding.

Section 5.03. Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the 2022A Bonds as it shall become due and payable (including accrued interest on any 2022A Bonds purchased or accelerated prior to maturity pursuant to the Indenture).

Section 5.04. Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the 2022A Bonds at maturity, mandatory sinking fund redemption, purchase or acceleration; provided, however, that at any time prior to selection for redemption of any such 2022A Bonds, upon written direction of the District, the Trustee shall apply such amounts to the purchase of 2022A Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed pursuant to a Written Request of the District, except that the purchase price (exclusive of accrued interest) may not exceed the Redemption Price then applicable to the 2022A Bonds.

Section 5.05. Application of Redemption Fund. There will be established with the Trustee when needed a special fund designated as the "Redemption Fund." All amounts in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the Redemption Price of the 2022A Bonds to be redeemed on any Redemption Date pursuant to Section 4.01; provided, however, that at any time prior to selection for redemption of any such 2022A Bonds, upon written direction of the District, the Trustee shall apply such amounts to the purchase of 2022A

Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed pursuant to a Written Request of the District, except that the purchase price (exclusive of accrued interest) may not exceed the Redemption Price then applicable to the 2022A Bonds.

Section 5.06. Investments. All moneys in any of the funds or accounts established with the Trustee pursuant to the Indenture shall be invested by the Trustee solely in Permitted Investments. Such investments shall be directed by the District pursuant to a Written Request of the District filed with the Trustee at least two (2) Business Days in advance of the making of such investments. In the absence of any such directions from the District, the Trustee shall invest any such moneys in Permitted Investments described in clause (d) of the definition thereof; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction from the District specifying a specific money market fund and, if no such written direction from the District is so received, the Trustee shall hold such moneys uninvested. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the Interest Account unless otherwise provided in the Indenture. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder upon the Written Request of the District. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section 5.06.

The District acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee shall furnish the District periodic cash transaction statements which include detail for all investment transactions effected by the Trustee and brokers selected by the District. Upon the District's election, such statements will be delivered via the Trustee's online service and upon electing such service; paper statements will be provided only upon request. The District waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The District further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

The Trustee may make any investments hereunder through its own bond or investment department or trust investment department, or those of its parent or an affiliate. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee under the Indenture.

For investment purposes, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately. In making any valuations of investments hereunder, the Trustee may utilize and rely on computerized securities pricing services that may be available to the Trustee, including those available through the Trustee accounting system.

Section 5.07. Rebate Fund.

(a) Establishment. The Trustee shall establish a fund for the 2022A Bonds designated the “Rebate Fund.” Absent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the 2022A Bonds will not be adversely affected, the District shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust for payment to the United States Treasury. All amounts on deposit in the Rebate Fund for the 2022A Bonds shall be governed by this Section and the Tax Certificate, unless and to the extent that the District delivers to the Trustee an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the 2022A Bonds will not be adversely affected if such requirements are not satisfied. Notwithstanding anything to the contrary contained herein or in the Tax Certificate, the Trustee: (i) shall be deemed conclusively to have complied with the provisions thereof if it follows all Requests of the District; and (ii) shall have no liability or responsibility to enforce compliance by the District with the terms of the Tax Certificate; and (iii) may rely conclusively on the District’s calculations and determinations and certifications relating to rebate matters; and (iv) shall have no responsibility to independently make any calculations or determinations or to review the District’s calculations or determinations thereunder.

(i) Annual Computation. Within 55 days of the end of each Bond Year, the District shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (*e.g.*, the temporary investments exceptions of Section 148(f)(4)(B) and the construction expenditures exception of Section 148(f)(4)(C) of the Code), and taking into account whether the election pursuant to Section 148(f)(4)(C)(vii) of the Code (the “1½% Penalty”) has been made), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the “Rebatable Arbitrage”). The District shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Annual Transfer. Within 55 days of the end of each Bond Year, upon the Written Request of the District, an amount shall be deposited to the Rebate Fund by the Trustee from any Net Revenues legally available for such purpose (as specified by the District in the aforesaid Written Request), if and to the extent required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this subsection (a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon Written Request of the District, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Payment Fund.

(iii) Payment to the Treasury. The Trustee shall pay, as directed by Written Request of the District, to the United States Treasury, out of amounts in the Rebate Fund:

(A) Not later than 60 days after the end of: (X) the fifth Bond Year; and (Y) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(B) Not later than 60 days after the payment of all the 2022A Bonds, an amount equal to 100% of the Rebateable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebateable Arbitrage, computed in accordance with Section 148(f) of the Code and Section 1.148-3 of the Treasury Regulations.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source equal to such deficiency prior to the time such payment is due. Each payment required to be made pursuant to this subsection (a) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T (prepared by the District), or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the 2022A Bonds and the payments described in subsection (a) above being made may be withdrawn by the District and utilized in any manner by the District.

(c) Survival of Defeasance. Notwithstanding anything in this Section to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance or payment in full of the 2022A Bonds.

Section 5.08. Application of Funds and Accounts When No 2022A Bonds are Outstanding. On the date on which all 2022A Bonds shall be retired hereunder or provision made therefor pursuant to Article X and after payment of all amounts due the Trustee hereunder, all moneys then on deposit in any of the funds or accounts established with the Trustee pursuant to the Indenture shall be withdrawn by the Trustee and paid to the District for use by the District at any time for any purpose permitted by law.

ARTICLE VI

PARTICULAR COVENANTS

Section 6.01. Punctual Payment. The District shall punctually pay or cause to be paid the principal and interest to become due in respect of all of the 2022A Bonds, in strict conformity with the terms of the 2022A Bonds and of the Indenture, according to the true intent and meaning thereof, but only out of Net Revenues and other assets pledged for such payment as provided in the Indenture.

Section 6.02. Extension of Payment of 2022A Bonds. The District shall not directly or indirectly extend or assent to the extension of the maturity of any of the 2022A Bonds or the time of payment of any claims for interest by the purchase of such 2022A Bonds or by any other arrangement, and in case the maturity of any of the 2022A Bonds or the time of payment of any such claims for interest shall be extended, such 2022A Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of the Indenture, except subject to the prior payment in full for the principal of all of the 2022A Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the District to issue Bonds for the purpose of refunding any Outstanding 2022A Bonds, and such issuance shall not be deemed to constitute an extension of maturity of 2022A Bonds.

Section 6.03. Against Encumbrances. The District will not make any pledge of or place any lien on Revenues or the moneys in the Revenue Fund except as provided herein. The District may at any time, or from time to time, execute Contracts or issue Bonds as permitted herein. The District may also at any time, or from time to time, incur evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of lien on Revenues on any moneys in the Revenue Fund as may from time to time be deposited therein, provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein.

Section 6.04. Power to Issue 2022A Bonds and Make Pledge and Assignment. The District is duly authorized pursuant to law to issue the 2022A Bonds and to enter into the Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned under the Indenture in the manner and to the extent provided in the Indenture. The 2022A Bonds and the provisions of the Indenture are and will be the legal, valid and binding special obligations of the District in accordance with their terms, and the District and the Trustee shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the 2022A Bond Owners under the Indenture against all claims and demands of all persons whomsoever.

Section 6.05. Accounting Records and Financial Statements.

(a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of 2022A Bonds and all funds and accounts established by it pursuant to the Indenture. Such books of record and account shall be available for inspection by the District upon reasonable prior notice during business hours and under reasonable circumstances.

(b) The District will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Water System, which records shall be available for inspection by the Trustee (which shall have no duty to inspect such records) at reasonable hours and under reasonable conditions.

(c) The District will prepare and file with the Trustee annually within two hundred seventy (270) days of each Fiscal Year (commencing with the Fiscal Year ending December 31, 2021) financial statements of the District for the preceding Fiscal Year prepared in accordance with Generally Accepted Accounting Principles, together with an Accountant's Report thereon. The Trustee shall have no duty to review such financial statements.

Section 6.06. Tax Covenants. Notwithstanding any other provision of this Indenture, and except as may otherwise be approved by an opinion of Bond Counsel that the exclusion from gross income of interest on the 2022A Bonds will not be adversely affected for federal income tax purposes, the District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income with respect to the 2022A Bonds and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The District will take no action or refrain from taking any action or make any use of the proceeds of the 2022A Bonds or of any other moneys or property

which would cause the 2022A Bonds to be “private activity bonds” within the meaning of Section 141 of the Code;

(b) Arbitrage. The District will make no use of the proceeds of the 2022A Bonds or of any other amounts or property, regardless of the source, and will not take any action or refrain from taking any action which will cause the 2022A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(c) Federal Guarantee. The District will make no use of the proceeds of the 2022A Bonds and will not take or omit to take any action that would cause the 2022A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(d) Information Reporting. The District will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code necessary to preserve the exclusion of interest on the 2022A Bonds pursuant to Section 103(a) of the Code;

(e) Hedge Bonds. The District will make no use of the proceeds of the 2022A Bonds or any other amounts or property, regardless of the source, and will not take any action or refrain from taking any action that would cause the 2022A Bonds to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the 2022A Bonds for federal income tax purposes; and

(f) Miscellaneous. The District will take no action and will refrain from taking any action inconsistent with its expectations stated in the Tax Certificate executed by the District in connection with the issuance of the 2022A Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein.

This Section and the covenants set forth herein shall not be applicable to, and nothing contained herein shall be deemed to prevent the District from causing the Trustee to issue revenue bonds or to execute and deliver contracts payable on a parity with the 2022A Bonds, the interest with respect to which has been determined by Bond Counsel to be subject to federal income taxation.

Section 6.07. Waiver of Laws. The District shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in the Indenture or in the 2022A Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the District to the extent permitted by law.

Section 6.08. Further Assurances. The District will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture and for the better assuring and confirming unto the Owners of the 2022A Bonds of the rights and benefits provided in the Indenture.

Section 6.09. Budgets. On or prior to the fifteenth day of each Fiscal Year, the District shall certify to the Trustee that the amounts budgeted for payment of the principal of and interest on the 2022A Bonds are fully adequate for the payment of all such payments for such Fiscal Year. If the amounts so budgeted are not adequate for the payment of the principal of and interest on the

2022A Bonds due under the Indenture, the District will take such action as may be necessary to cause such annual budget to be amended, corrected or augmented so as to include therein the amounts required to be raised by the District in the then ensuing Fiscal Year for the payment of the principal of and interest on the 2022A Bonds due under the Indenture and will notify the Trustee of the proceedings then taken or proposed to be taken by the District.

Section 6.10. Observance of Laws and Regulations. To the extent necessary to assure its performance hereunder, the District will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on the District by contract, or prescribed by any law of the United States of America, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the District, respectively, including its right to exist and carry on its business, to the end that such contracts, rights and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 6.11. Compliance with Contracts. The District will neither take nor omit to take any action under any contract if the effect of such act or failure to act would in any manner materially impair or materially adversely affect the ability of the District to pay principal of or interest on the 2022A Bonds; and the District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in all other contracts affecting or involving the Water System, to the extent that the District is a party thereto.

Section 6.12. Prosecution and Defense of Suits. The District shall promptly, upon request of the Trustee or any 2022A Bond Owner, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Water System or any part thereof, whether now existing or hereafter developing, shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee (including all of its employees, officers and directors), the Trustee and every 2022A Bond Owner harmless from all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

The District shall defend against every suit, action or proceeding at any time brought against the Trustee (including all of its employees, officers and directors) or any 2022A Bond Owner upon any claim arising out of the receipt, application or disbursement of any of the payments of principal of or interest on the 2022A Bonds or involving the rights of the Trustee or any 2022A Bond Owner under the Indenture; provided that the Trustee or any 2022A Bond Owner at such party's election may appear in and defend any such suit, action or proceeding. The District shall indemnify and hold harmless the Trustee and the 2022A Bond Owners against any and all liability claimed or asserted by any person, arising out of such receipt, application or disbursement, and shall indemnify and hold harmless the 2022A Bond Owners against any attorneys' fees or other expenses which any of them may incur in connection with any litigation (including pre-litigation activities) to which any of them may become a party by reason of ownership of 2022A Bonds. The District shall promptly reimburse any 2022A Bond Owner in the full amount of any attorneys' fees or other expenses which such Owner may incur in litigation or otherwise in order to enforce such party's rights under the Indenture or the 2022A Bonds, provided that such litigation shall be concluded favorably to such party's contentions therein.

Section 6.13. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of its obligations under the Continuing Disclosure Certificate to be executed and delivered by the District in connection with the issuance of the 2022A Bonds. Notwithstanding any other provision of the Indenture, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Owner or Beneficial Owner 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 Section, subject to the terms and conditions of the Continuing Disclosure Certificate. For purposes of this Section, “Beneficial Owner” means any person which (a) has or shares the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2022A Bond (including persons holding 2022A Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2022A Bonds for federal income tax purposes.

Section 6.14. Additional Contracts and Bonds. The District may at any time execute any Contract or issue any Bonds, as the case may be, in accordance herewith; provided:

(i) The Net Revenues for any consecutive twelve calendar month period during the eighteen calendar month period preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Bonds or the date of the execution of such Contract, as the case may be, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred fifteen percent (115%) of the Debt Service for such twelve month period; and

(ii) The Net Revenues for any consecutive twelve calendar month period during the eighteen calendar month period preceding the date of the execution of such Contract or the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Bonds, as the case may be, including adjustments to give effect as of the first day of such twelve month period to increases or decreases in rates and charges for the Water Service approved and in effect as of the date of calculation, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred fifteen percent (115%) of the Debt Service for such twelve month period, plus the Debt Service which would have accrued on any Contracts executed or Bonds issued since the end of such twelve month period, assuming that such Contracts had been executed or Bonds had been issued at the beginning of such twelve month period, plus the Debt Service which would have accrued had such Contract been executed or Bonds been issued at the beginning of such twelve month period; and

(iii) The estimated Net Revenues for the then current Fiscal Year and for each Fiscal Year thereafter, to and including the first complete Fiscal Year after the latest Date of Operation of any uncompleted Project to be financed from proceeds of such Contracts or Bonds, as evidenced by a certificate of the General Manager on file with the District, including (after giving effect to the completion of all such uncompleted Projects) an allowance for estimated Net Revenues for each of such Fiscal Years arising from any increase in the income, rents, fees, rates and charges estimated to be fixed, prescribed or received for Water Service and which are economically feasible and reasonably considered necessary based on projected operations for such period, as evidenced by a certificate of the General Manager on file with the District, shall produce a sum equal to at least one hundred fifteen percent (115%) of the estimated Debt Service for each of such Fiscal Years, after giving effect to the execution of all Contracts and the issuance of all Bonds estimated to be required

to be executed or issued to pay the costs of completing all uncompleted Projects within such Fiscal Years, assuming that all such Contracts and Bonds have maturities, interest rates and proportionate principal repayment provisions similar to the Contract last executed or then being executed or the Bonds last issued or then being issued for the purpose of acquiring and constructing any of such uncompleted Projects.

Notwithstanding the foregoing, Bonds issued or Contracts executed to refund Bonds or Contracts may be delivered without satisfying the conditions set forth above if Debt Service in each Fiscal Year after the Fiscal Year in which such Bonds are issued or Contracts executed is not greater than 110% of the Debt Service which would have been payable in each such Fiscal Year prior to the issuance of such Bonds or execution of such Contracts.

Section 6.15. Against Sale or Other Disposition of Property. The District will not enter into any agreement or lease which impairs the operation of the Water System or any part thereof necessary to secure adequate Revenues for the payment of the principal of and interest on the 2022A Bonds, or which would otherwise impair the operation of the Water System. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Water System, or any material or equipment which has become worn out, may be sold if such sale will not impair the ability of the District to pay the principal of and interest on the 2022A Bonds and if the proceeds of such sale are deposited in the Revenue Fund.

Notwithstanding the foregoing, the District may sell or transfer assets representing less than 10% of the book value of the assets of the Water System in connection with the transfer of a portion of the District service area to another retail water provider so long as in connection with such sale or transfer of such assets: (i) the Board of Directors of the District determines that such sale or transfer will not adversely affect the ability of the District to pay the principal of and interest on the 2022A Bonds and all other Debt Service; and (ii) the District delivers to the Trustee a special report of the General Manager to the effect that estimated Net Revenues for the current and two Fiscal Years after the date of such sale or transfer shall produce a sum equal to one hundred fifteen percent (115%) of the estimated Debt Service for each such Fiscal Year.

Nothing herein shall restrict the ability of the District to sell any portion of the Water System if such portion is immediately repurchased by the District and if such arrangement cannot by its terms and does not: (a) result in the purchaser of such portion of the Water System exercising any remedy which would deprive the District of or otherwise interfere with its right to own and operate such portion of the Water System; or (b) impair or otherwise affect the pledge of and first lien on the Revenues and the Revenue Fund.

Section 6.16. Against Competitive Facilities. To the extent that it can so legally obligate itself, the District covenants that it will not acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the District any water system competitive with the Water System.

Section 6.17. Maintenance and Operation of the Water System. The District will maintain and preserve the Water System in good repair and working order at all times and will operate the Water System in an efficient and economical manner and will pay all Operation and Maintenance Costs as they become due and payable.

Section 6.18. Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Revenues or the funds or accounts created hereunder or on any funds in the hands of the District pledged to pay the principal of or interest on the 2022A Bonds or to the Owners prior or superior to the lien under the Indenture.

Section 6.19. Insurance.

(a) The District will procure and maintain or cause to be procured and maintained insurance on the Water System with responsible insurers in such amounts and against such risks (including damage to or destruction of the Water System) as are usually covered in connection with facilities similar to the Water System so long as such insurance is available from reputable insurance companies at commercially reasonable rates.

In the event of any damage to or destruction of the Water System caused by the perils covered by such insurance, the Net Proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Water System. The District shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible and in any event prior to the time that a failure to reconstruct, repair or replace such portions would impair or adversely affect the ability of the District to pay the principal of and interest on the 2022A Bonds, and shall pay out of such Net Proceeds and, if necessary, out of all other funds available to it, all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Water System shall be free and clear of all claims and liens.

If such Net Proceeds exceed the costs of such reconstruction, repair or replacement, then the excess Net Proceeds shall be applied in part to the redemption of 2022A Bonds as provided in Section 4.01(a) and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion which the aggregate unpaid principal balance of 2022A Bonds then bears to the aggregate unpaid principal amount of such Bonds and Contracts. If such Net Proceeds are sufficient to enable the District to retire the entire obligation evidenced hereby prior to the final due date of the 2022A Bonds as well as the entire obligations evidenced by Bonds and Contracts then remaining unpaid prior to their final respective due dates, the District may elect not to reconstruct, repair or replace the damaged or destroyed portion of the Water System, and/or not to construct other additions, betterments, extensions or improvements to the Water System; and thereupon such Net Proceeds shall be applied to the redemption of 2022A Bonds as provided in Section 4.01(a) and to the retirement of such Bonds and Contracts.

(b) Any insurance required to be maintained by paragraph (a) above may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner usually maintained in connection with water systems similar to the Water System and is, in the opinion of an accredited actuary, actuarially sound.

Section 6.20. Payment of Taxes and Compliance with Governmental Regulations. The District will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Water System, or any part thereof or upon the Revenues when the same shall become due. The District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Water

System, or any part thereof, but the District shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

Section 6.21. Amount of Rates and Charges. (a) The District shall, to the fullest extent permitted by law, fix and prescribe rates and charges for the Water Service, together with other Revenues, which are reasonably expected, on the first day of each Fiscal Year, to be at least sufficient to yield during such Fiscal Year Net Revenues equal to one hundred fifteen percent (115%) of the Debt Service for 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 shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges are reasonably expected at all times to be sufficient to meet the requirements of this Section.

(b) For avoidance of doubt, so long as the District has complied with its obligations set forth in Section 6.21(a) above, the failure of Net Revenues to meet the threshold set forth in Section 6.21(a) above at the end of a Fiscal Year shall not constitute a default or an Event of Default so long as the District has complied with Section 6.21(a) at the commencement of the succeeding Fiscal Year.

Section 6.22. Collection of Rates and Charges. The District will have in effect at all times by-laws, rules and regulations requiring each customer to pay the rates and charges applicable to the Water Service to such customer and providing for the billing thereof and for a due date and a delinquency date for each bill. In each case where such bill remains unpaid in whole or in part after it becomes delinquent, the District may discontinue such service from the Water System, and such service shall not thereafter be recommenced except in accordance with District by-laws or rules and regulations governing such situations of delinquency.

Section 6.23. Eminent Domain Proceeds. If all or any part of the Water System shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(a) If: (1) the District files with the Trustee a certificate of the General Manager certifying to the following: (i) the estimated loss of annual Net Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings; (ii) a general description of the additions, betterments, extensions or improvements to the Water System proposed to be acquired and constructed by the District from such Net Proceeds; and (iii) an estimate of the additional annual Net Revenues to be derived from such additions, betterments, extensions or improvements; and (2) that the estimated additional annual Net Revenues will sufficiently offset the estimated loss of annual Net Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired (which certification shall be final and conclusive), then the District shall promptly proceed with the acquisition and construction of such additions, betterments, extensions or improvements substantially in accordance with such certificate and such Net Proceeds shall be applied for the payment of the costs of such acquisition and construction, and any balance of such Net Proceeds not required by the District for such purpose shall be deposited in the Revenue Fund.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied in part to the redemption of 2022A Bonds as provided in Section 4.01(a) and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion which the aggregate unpaid principal balance of 2022A Bonds then bears to the aggregate unpaid principal amount of such Bonds and Contracts.

Section 6.24. Enforcement of Contracts. The District will not voluntarily consent to or permit any rescission of, nor will it consent to any amendment to or otherwise take any action under or in connection with any contracts previously or hereafter entered into if such rescission or amendment would in any manner impair or adversely affect the ability of the District to pay principal of and interest on the 2022A Bonds.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF 2022A BOND OWNERS

Section 7.01. Events of Default. The following events shall be Events of Default hereunder:

(a) Default by the District in the due and punctual payment of the principal of any 2022A Bonds, the principal of any Bonds or the principal with respect to any Contract, when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Default by the District in the due and punctual payment of any installment of interest on any 2022A Bonds, any installment of interest on any Bond or any installment of interest with respect to any Contract, when and as the same shall become due and payable.

(c) Default by the District in the observance of any of the other covenants, agreements or conditions on its part in the Indenture or in the 2022A Bonds, or required by any Bond or indenture relating thereto or by any Contract, if such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the District by the Trustee or by the Owners of not less than a majority in aggregate principal amount of 2022A Bonds Outstanding, a majority in principal amount of such Bond outstanding, or a majority in principal amount outstanding with respect to such Contract, as applicable; provided, however, that if in the reasonable opinion of the District the default stated in the notice can be corrected, but not within such sixty (60) day period and corrective action is instituted by the District within such sixty (60) day period and diligently pursued in good faith until the default is corrected such default shall not be an Event of Default hereunder.

(d) The District shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property.

(e) Payment of the principal of any Bond or with respect to any Contract is accelerated in accordance with its terms.

Section 7.02. Remedies Upon Event of Default. If any Event of Default specified in Section 7.01(d) or (e) shall occur and be continuing, the Trustee shall, and for any other Event of Default, the Trustee may, and, at the written direction of the Owners of not less than a majority in aggregate principal amount of the 2022A Bonds at the time Outstanding, shall, in each case, upon notice in writing to the District, declare the principal of all of the 2022A Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Indenture or in the 2022A Bonds contained to the contrary notwithstanding.

Nothing contained herein shall permit or require the Trustee to accelerate payments due under the Indenture if the District is not in default of its obligation hereunder.

Any such declaration is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the District shall deposit with the Trustee a sum sufficient to pay all the principal of and installments of interest on the 2022A Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective 2022A Bonds to the extent permitted by law, and the reasonable charges and expenses of the Trustee, or shall deposit with the applicable trustee with respect to any Contract a sum sufficient to pay all the principal and installments of interest with respect to such Contract payment of which is overdue, with interest on such overdue principal at the rate borne by such Contract to the extent permitted by law, and the reasonable charges and expenses of the applicable trustee with respect to such Contract, or shall deposit with the applicable trustee with respect to any Bond a sum sufficient to pay all the principal of and installment of interest on such Bond payment of which is overdue, with interest on such overdue principal at the rate borne by such Bonds to the extent permitted by law, and the reasonable charges and expenses of the applicable trustee with respect to such Bonds, and any and all other Events of Default known to the Trustee or the applicable trustee with respect to such Contract or Bonds (other than in the payment of principal of and interest on the 2022A Bonds, payment of principal and interest with respect to such Contract or payment of principal and interest on such Bond, as applicable, due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case the Trustee shall on behalf of the Owners of all of the 2022A Bonds, rescind and annul such declaration and its consequences and waive such Event of Default; but no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, or shall impair or exhaust any right or power consequent thereon.

Section 7.03. Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Revenues held or thereafter received by the Trustee and any other funds then held or thereafter received by the Trustee under any of the provisions of the Indenture shall be applied in the following order:

(i) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the 2022A Bonds, Contract or Bonds and payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its accountants and counsel) incurred in and about the performance of its powers and duties under the Indenture;

(ii) To the payment of Operation and Maintenance Costs;

(iii) To the payment of the principal of and interest then due on the 2022A Bonds (upon presentation of the 2022A Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid), in accordance with the provisions of the Indenture, the payment of the principal and interest then due with respect to such Contract in accordance with the provisions thereof and the payment of the principal of and interest then due on such Bonds in accordance with the provisions thereof and of any indenture related thereto, in the following order of priority:

First: To the payment to the persons entitled thereto of all installments of interest then due on the 2022A Bonds, with respect to such Contract or on such Bonds, as applicable, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any 2022A Bonds, principal with respect to such Contract (other than Termination Payments) or principal of any Bonds, as applicable, which shall have become due, whether at maturity or by acceleration or redemption, with interest on the overdue principal at the rate of eight percent (8%) per annum, and, if the amount available shall not be sufficient to pay in full all the 2022A Bonds, all amounts due under such Contract or all the Bonds, as applicable, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference; and

Third: to the payment of any Termination Payment and other unpaid amounts due on obligations subordinate hereto; and

Fourth: If there shall exist any remainder after the foregoing payments, such remainder shall be paid to the District.

Section 7.04. Trustee to Represent 2022A Bond Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the 2022A Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney in fact of the Owners of the 2022A Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the 2022A Bonds or the Indenture and applicable provisions of law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the 2022A Bond Owners, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the 2022A Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the 2022A Bonds or the Indenture or any law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under the Indenture, pending such proceedings. All rights of action under the Indenture or the 2022A Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the 2022A Bonds or the

production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such 2022A Bonds, subject to the provisions of the Indenture.

Section 7.05. 2022A Bond Owners' Direction of Proceedings. Anything in the Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the 2022A Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction to direct the method of conduct in all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to 2022A Bond Owners not parties to such direction.

Section 7.06. Suit by Owners. No Owner of any 2022A Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture with respect to such 2022A Bonds, unless: (a) such Owners shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of not less than fifty percent (50%) in aggregate principal amount of the 2022A Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have failed to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) no direction inconsistent with such written request shall have been given to the Trustee during such sixty (60) day period by the Owners of a majority in aggregate principal amount of the 2022A Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of 2022A Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of 2022A Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture or the rights of any other Owners of 2022A Bonds, or to enforce any right under the 2022A Bonds, the Indenture, or applicable law with respect to the 2022A Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding 2022A Bonds, subject to the provisions of the Indenture.

Section 7.07. Absolute Obligation of the District. Nothing in this Section 7.07 or in any other provision of the Indenture or in the 2022A Bonds shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the 2022A Bonds to the respective Owners of the 2022A Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the 2022A Bonds.

Section 7.08. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the 2022A Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.09. No Waiver of Default. No delay or omission of the Trustee or of any Owner of the 2022A Bonds to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein.

ARTICLE VIII

THE TRUSTEE

Section 8.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiving of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in the Indenture and no implied covenants or duties shall be read into the Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The District may remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the 2022A Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and thereupon shall promptly appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the District and by giving the 2022A Bond Owners notice of such resignation by mail at the addresses shown on the Registration Books. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any 2022A Bond Owner (on behalf of himself and all other 2022A Bond Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under the Indenture shall signify its acceptance of such appointment by executing

and delivering to the District and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the District or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under the Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the District shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the District shall mail or cause the successor trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which is then rating the 2022A Bonds and to the 2022A Bond Owners at the addresses shown on the Registration Books. If the District fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the District.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a trust company, banking association or bank having the powers of a trust company, having a combined capital and surplus of at least Seventy Five Million Dollars (\$75,000,000), and subject to supervision or examination for federal or state authority. If such bank, banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such trust company, banking association or bank shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 8.02. Merger or Consolidation. Any trust company, banking association or bank into which the Trustee may be merged or converted or with which it may be consolidated or any trust company, banking association or bank resulting from any merger, conversion or consolidation to which it shall be a party or any trust company, banking association or bank to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such trust company, banking association or bank shall be eligible under subsection (e) of Section 8.01, shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Liability of Trustee.

(a) The recitals of facts herein and in the 2022A Bonds shall be taken as statements of the District, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of the Indenture or the 2022A Bonds, nor shall the Trustee incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the 2022A Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in

its certificate of authentication on the 2022A Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become the Owner of 2022A Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of 2022A Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the 2022A Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority (or such other percentage provided for herein) in aggregate principal amount of the 2022A Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture.

(e) The Trustee shall not be deemed to have knowledge of any Default or Event of Default hereunder or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder unless and until a Responsible Officer of the Trustee shall have actual knowledge of such event or the Trustee shall have been notified in writing, in accordance with Section 11.07, of such event by the District or the Owners of not less than fifty percent (50%) of the 2022A Bonds then Outstanding. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by the District of any of the terms, conditions, covenants or agreements herein of any of the documents executed in connection with the 2022A Bonds, or as to the existence of an Event of Default thereunder or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of Default thereunder. The Trustee shall not be responsible for the validity, effectiveness or priority of any collateral given to or held by it.

(f) No provision of the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of any of its rights or powers.

(g) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of Owners pursuant to the Indenture, unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(h) Whether or not herein expressly so provided, every provision of the Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VIII.

(i) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the 2022A Bonds.

(j) The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

(k) The Trustee may execute any of the trusts or powers of the Indenture and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

(l) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, which affect the Trustee's ability to perform its obligations hereunder, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Water System, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(m) The Trustee agrees to accept and act upon instructions or directions pursuant to the Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee 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 District elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(n) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(o) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it hereby at the request, order or direction of any of the Owners pursuant to the

provisions hereof unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

(p) The permissive right of the Trustee to do things enumerated herein shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

(q) The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the 2022A Bonds.

Section 8.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion, notes, direction, facsimile transmission, electronic mail 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 Trustee may consult with counsel, who may be counsel of or to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the 2022A Bonds appearing in the Trustee's Registration Books as the absolute owners of the 2022A Bonds for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate, Request or Requisition of the District, and such Certificate, Request or Requisition shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of the Indenture in reliance upon such Certificate, Request or Requisition, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 8.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of the Indenture shall be retained in their respective possession in accordance with its record retention policies and shall be subject at all reasonable times to the inspection of the District and any 2022A Bond Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 8.06. Compensation and Indemnification. The District shall pay to the Trustee from time to time all reasonable compensation for all services rendered under the Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Indenture.

The District shall indemnify, defend and hold harmless the Trustee, its officers, employees, directors and agents from and against any loss, costs, claims, liability or expense (including fees and expenses of its attorneys and advisors) incurred without negligence on its part, arising out of or in connection with the execution of the Indenture, acceptance or administration of this trust, including

costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the District under this Section 8.06 shall survive removal or resignation of the Trustee hereunder or the discharge of the 2022A Bonds and the Indenture.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 9.01. Amendments Permitted.

(a) The Indenture and the rights and obligations of the District and of the Owners of the 2022A Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental thereto, which the District and the Trustee may enter into when the written consent of the Owners of a majority in aggregate principal amount of all 2022A Bonds then Outstanding, exclusive of 2022A Bonds disqualified as provided in Section 11.09 hereof, shall have been filed with the Trustee. No such modification or amendment shall: (1) extend the fixed maturity of any 2022A Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the rate of interest or the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each 2022A Bond so affected; or (2) reduce the aforesaid percentage of 2022A Bonds the consent of the Owners of which is required to affect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture except as permitted herein, or deprive the Owners of the 2022A Bonds of the lien created by the Indenture on such Revenues and other assets except as permitted herein, without the consent of the Owners of all of the 2022A Bonds then Outstanding. It shall not be necessary for the consent of the 2022A Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the District and the Trustee of any Supplemental Indenture pursuant to this subsection (a), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture, to the Rating Agency and the Owners of the 2022A Bonds at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) The Indenture and the rights and obligations of the District, the Trustee and the Owners of the 2022A Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the District and the Trustee may enter into without the consent of any 2022A Bond Owners, if the Trustee shall receive an opinion of Bond Counsel to the effect that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Owners of the Outstanding 2022A Bonds, including, without limitation, for any one or more of the following purposes:

(1) to add to the covenants and agreements of the District contained in the Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the 2022A Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the District;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the District may deem necessary or desirable;

(3) to modify, amend or supplement the Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereunder in effect, and to add such other terms conditions and provisions as may be permitted by said act or similar federal statute; and

(4) to modify, amend or supplement the Indenture in such manner as to cause interest on the 2022A Bonds to remain excludable from gross income under the Code.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by subsections (a) or (b) of this Section which materially adversely affects the Trustee's own rights, duties or immunities under the Indenture or otherwise.

(d) Prior to the Trustee entering into any Supplemental Indenture hereunder, there shall be delivered to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been adopted in compliance with the requirements of the Indenture and that the adoption of such Supplemental Indenture will not, in and of itself, adversely affect the exclusion of interest on the 2022A Bonds from federal income taxation and from state income taxation.

Section 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the District, the Trustee and all Owners of 2022A Bonds Outstanding shall thereafter be determined, exercised and enforced thereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Section 9.03. Endorsement of 2022A Bonds; Preparation of New 2022A Bonds. 2022A Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the District and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any 2022A Bonds Outstanding at the time of such execution and presentation of his or her 2022A Bonds for the purpose at the Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such 2022A Bonds. If the Supplemental Indenture shall so provide, new 2022A Bonds so modified as to conform, in the opinion of the District and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the District and authenticated by the Trustee, and upon demand on the Owners of any 2022A Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any 2022A Bond Owner, for 2022A Bonds then Outstanding, upon surrender for cancellation of such 2022A Bonds, in equal aggregate principal amount of the same maturity.

Section 9.04. Amendment of Particular 2022A Bonds. The provisions of this Article shall not prevent any 2022A Bond Owner from accepting any amendment as to the particular 2022A Bonds held by him.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Indenture. The 2022A Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

- (a) by paying or causing to be paid the principal of and interest and redemption premiums (if any) on the 2022A Bonds, as and when the same become due and payable;
- (b) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem all 2022A Bonds then Outstanding; or
- (c) by delivering to the Trustee, for cancellation by it, all of the 2022A Bonds then Outstanding.

If the District shall also pay or cause to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (as evidenced by a Certificate of the District, filed with the Trustee, signifying the intention of the District to discharge all such indebtedness and the Indenture), and notwithstanding that any 2022A Bonds shall not have been surrendered for payment, the Indenture and the pledge of Revenues and other assets made under the Indenture and all covenants, agreements and other obligations of the District under the Indenture shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the Written Request of the District, the Trustee shall execute and deliver to the District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver all moneys or securities or other property held by it pursuant to the Indenture which are not required for the payment or redemption of 2022A Bonds not theretofore surrendered for such payment or redemption to the District.

Section 10.02. Discharge of Liability on 2022A Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding 2022A Bonds (whether upon or prior to the maturity or the Redemption Date of such 2022A Bonds), provided that, if such Outstanding 2022A Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Article IV or provisions satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the District in respect of such 2022A Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment, subject however, to the provisions of Section 10.04.

The District may at any time surrender to the Trustee for cancellation by it any 2022A Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such 2022A Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 10.03. Deposit of Money or Securities with Trustee. Whenever in the Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any 2022A Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to the Indenture and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such 2022A Bonds and all unpaid interest thereon to maturity, except that, in the case of 2022A Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Article IV or provisions satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such 2022A Bonds and all unpaid interest and premium, if any, thereon to the Redemption Date; or

(b) Federal Securities the principal of and interest on which when due will, in the written opinion of an Independent Certified Public Accountant or Independent Municipal Consultant filed with the District and the Trustee, provide money sufficient to pay the principal of and all unpaid interest to maturity, or to the Redemption Date (with premium, if any), as the case may be, on the 2022A Bonds to be paid or redeemed, as such principal, interest and premium, if any, become due, provided that in the case of 2022A Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that: (i) the Trustee shall have been irrevocably instructed (by the terms of the Indenture or by Written Request of the District) to apply such money to the payment of such principal, interest and premium, if any, with respect to such 2022A Bonds; and (ii) the District shall have delivered to the Trustee an opinion of Bond Counsel addressed to the District and the Trustee to the effect that such 2022A Bonds have been discharged in accordance with the Indenture (which opinion may rely upon and assume the accuracy of the Independent Certified Public Accountant's or Independent Municipal Consultant's opinion referred to above).

Section 10.04. Payment of 2022A Bonds After Discharge of Indenture. Notwithstanding any provisions of the Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any 2022A Bonds and remaining unclaimed for two (2) years after the principal of all of the 2022A Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in the Indenture), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if deposited after said date when all of the 2022A Bonds became due and payable, shall be repaid to the District free from the trusts created by the Indenture upon receipt of an indemnification agreement acceptable to the District and the Trustee indemnifying the Trustee with respect to claims of Owners of 2022A Bonds which have not yet been paid, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the District as aforesaid, the Trustee shall at the written direction of the District (at the cost of the District) first mail to the Owners of 2022A Bonds which have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the 2022A Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Liability of District Limited to Revenues. Notwithstanding anything in the Indenture or the 2022A Bonds, but subject to the priority of payment with respect to Operation and Maintenance Costs, the District shall not be required to advance any moneys derived from any source other than the Revenues, the Revenue Fund and other moneys pledged under the Indenture for any of the purposes in the Indenture mentioned, whether for the payment of the principal of or interest on the 2022A Bonds or for any other purpose of the Indenture. Nevertheless, the District may, but shall not be required to, advance for any of the purposes hereof any funds of the District which may be made available to it for such purposes.

The obligation of the District to pay interest and principal on the 2022A Bonds is a special obligation of the District payable solely from the Net Revenues, and does not constitute a debt of the District or of the State of California or of any political subdivision thereof (other than the District) in contravention of any constitutional or statutory debt limitation or restriction.

Section 11.02. Successor Is Deemed Included in All References to Predecessor. Whenever in the Indenture either the District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in the Indenture contained by or on behalf of the District or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.03. Limitation of Rights to Parties and 2022A Bond Owners. Nothing in the Indenture or in the 2022A Bonds expressed or implied is intended or shall be construed to give to any person other than the District, the Trustee and the Owners of the 2022A Bonds, any legal or equitable right, remedy or claim under or in respect of the Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the District, the Trustee and the Owners of the 2022A Bonds.

Section 11.04. Waiver of Notice; Requirement of Mailed Notice. Whenever in the Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in the Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 11.05. Destruction of 2022A Bonds. Whenever in the Indenture provision is made for the cancellation by the Trustee and the delivery to the District of any 2022A Bonds, the Trustee shall destroy such 2022A Bonds as may be allowed by law, and deliver a certificate of such destruction to the District.

Section 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in the Indenture or in the 2022A Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in the Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of the Indenture, and the Indenture shall be construed as if such

invalid or illegal or unenforceable provision had never been contained herein. The District hereby declares that it would have entered into the Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the 2022A Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of the Indenture may be held illegal, invalid or unenforceable.

Section 11.07. Notices. Any notice to or demand upon the District or the Trustee shall be deemed to have been sufficiently given or served for all purposes by being sent by facsimile or email or by being deposited, first class mail, postage prepaid, in a post office letter box, addressed, as the case may be, to the District at Sacramento Suburban Water District, 3701 Marconi Avenue, Suite 100, Sacramento, California 95821, Attention: Finance Director (or such other address as may have been filed in writing by the District with the Trustee), or to the Trustee at U.S. Bank Trust Company, National Association, One California Street, Suite 1000, San Francisco, California 94111, Attn: Global Corporate Trust, Reference: Sacramento Suburban Water District, Series 2022A. Notwithstanding the foregoing provisions of this Section 11.07, the Trustee shall not be deemed to have received, and shall not be liable for failing to act upon the contents of, any notice unless and until the Trustee actually receives such notice.

Section 11.08. Evidence of Rights of 2022A Bond Owners. Any request, consent or other instrument required or permitted by the Indenture to be signed and executed by 2022A Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such 2022A Bond Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of 2022A Bonds transferable by delivery, shall be sufficient for any purpose of the Indenture and shall be conclusive in favor of the Trustee and the District if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The Ownership of 2022A Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any 2022A Bond shall bind every future Owner of the same 2022A Bond and the Owner of every 2022A Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the District in accordance therewith or reliance thereon.

Section 11.09. Disqualified 2022A Bonds. In determining whether the Owners of the requisite aggregate principal amount of 2022A Bonds have concurred in any demand, request, direction, consent or waiver under the Indenture, 2022A Bonds which are known by the Trustee to be owned or held by or for the account of the District, or by any other obligor on the 2022A Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the District or any other obligor on the 2022A Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. 2022A Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if

the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such 2022A Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the District or any other obligor on the 2022A Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request, the District shall certify to the Trustee those 2022A Bonds that are disqualified pursuant to this Section 11.09 and the Trustee may conclusively rely on such certificate.

Section 11.10. Money Held for Particular 2022A Bonds. The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular 2022A Bonds (or portions of 2022A Bonds in the case of registered 2022A Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the 2022A Bonds entitled thereto, subject, however, to the provisions of Section 10.04 hereof but without any liability for interest thereon.

Section 11.11. Funds and Accounts. Any fund or account required by the Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with corporate trust industry standards to the extent practicable, and with due regard for the requirements of Section 6.05(a) and for the protection of the security of the 2022A Bonds and the rights of every Owner thereof.

Section 11.12. Waiver of Personal Liability. No member, officer, agent, employee, consultant or attorney of the District shall be individually or personally liable for the payment of the principal of or premium or interest on the 2022A Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent, employee, consultant or attorney from the performance of any official duty provided by law or by the Indenture.

Section 11.13. Execution in Several Counterparts. The Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the District and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.14. CUSIP Numbers. Neither the Trustee nor the District shall be liable for any defect or inaccuracy in the CUSIP number that appears on any 2022A Bond or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the 2022A Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the 2022A Bondholders and that neither the District nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 11.15. Choice of Law. THE INDENTURE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

Section 11.16. Paired Obligation Provider Guidelines. For purposes of Sections 6.14 and 6.21, Paired Obligations shall comply with the following conditions:

(a) A Paired Obligation Provider shall initially have a long-term rating of A- or better by S&P and A3 or better by Moody's.

(b) So long as the long-term rating of the Paired Obligation Provider is not reduced below Baa2 by S&P or BBB by Moody's, the interest rate of such Paired Obligation shall be deemed to be equal to the fixed interest rate attributable thereto for purposes of Sections 6.14 and 6.21.

(c) In the event that a Paired Obligation Provider does not maintain the Minimum Rating Requirement and the District does not replace such Paired Obligation Provider with another Paired Obligation Provider which maintains the Initial Rating Requirement within ten (10) Business Days of notice that the Paired Obligation Provider has not maintained the Minimum Rating Requirement, interest with respect to such Paired Obligations shall be computed for purposes of Sections 6.14 and 6.21 without regard to payments to be received from the Paired Obligation Provider.

IN WITNESS WHEREOF, the District has caused the Indenture to be signed in its name by its President, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused the Indenture to be signed in its corporate name by its officers thereunto duly authorized, all as of the day and year first above written.

SACRAMENTO SUBURBAN WATER DISTRICT

By: _____
Its: President, Board of Directors

Attest:

Secretary of the Board of Directors

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee

By: _____
Its: Authorized Officer

EXHIBIT A

FORM OF 2022A BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

SACRAMENTO SUBURBAN WATER DISTRICT
REFUNDING REVENUE BONDS, SERIES 2022A

INTEREST RATE	MATURITY DATE	ORIGINAL ISSUE DATE	CUSIP
_____ %	November 1, 20__	_____, 2022	78607Q__

REGISTERED OWNER CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The SACRAMENTO SUBURBAN WATER DISTRICT, a county water district duly organized and existing under the laws of the State of California (the "District"), for value received, hereby promises to pay to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this 2022A Bond, as such term is defined below (unless: (i) this 2022A Bond is authenticated after the fifteenth day of the calendar month preceding an interest payment date, whether or not such day is a business day, and on or before the following interest payment date, in which event it shall bear interest from such interest payment date; or (ii) this 2022A Bond is authenticated on or before April 15, 2022, in which event it shall bear interest from the Original Issue Date identified above; provided, however, that if as of the date of authentication of this 2022A Bond, interest is in default on this 2022A Bond, this 2022A Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this 2022A Bond), at the Interest Rate per annum specified above, payable semiannually on May 1, 2022 and each November 1 and May 1 thereafter, calculated on the basis of a 360 day year composed of twelve 30 day months. Principal hereof and premium, if any, upon early redemption

hereof are payable by check of the Trustee upon presentation and surrender hereof at the Office of the Trustee (as defined in the hereinafter described Indenture) of U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Interest hereon is payable by check of the Trustee sent by first class mail on the applicable interest payment date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Trustee as of the close of business on the fifteenth day of the month preceding each interest payment date (except that in the case of a registered owner of one million dollars (\$1,000,000) or more in principal amount, such payment may, at such registered owner's option, be made by wire transfer of immediately available funds to an account in the United States in accordance with written instructions provided to the Trustee by such registered owner prior to the fifteenth (15th) day of the month preceding such interest payment date).

This 2022A Bond is not a debt of the State of California, or any of its political subdivisions (other than the District), and neither the State, nor any of its political subdivisions (other than the District), is liable hereon, nor in any event shall this 2022A Bond be payable out of any funds or properties of the District other than the Net Revenues (as such term is defined in the Indenture of Trust, dated as of March 1, 2022 (the "Indenture"), by and between the District and the Trustee) and other moneys pledged therefor under the Indenture. The obligation of the District to make payments in accordance with the Indenture is a limited obligation of the District as set forth in the Indenture and the District shall have no liability or obligation in connection herewith except with respect to such payments to be made pursuant to the Indenture. The 2022A Bonds do not constitute an indebtedness of the District in contravention of any constitutional or statutory debt limitation or restriction.

This 2022A Bond is one of a duly authorized issue of bonds of the District designated as the "Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022A" (the "2022A Bonds"), of an aggregate principal amount _____ Dollars (\$ _____), all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers or interest rates) and all issued pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, including but not limited to Section 53583, and pursuant to the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the District) and all supplements thereto for a description of the terms on which the 2022A Bonds are issued, the provisions with regard to the nature and extent of the Net Revenues, and the rights thereunder of the Owners of the 2022A Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the District hereunder, to all of the provisions of which the Registered Owner of this 2022A Bond, by acceptance hereof, assents and agrees. The 2022A Bonds have been issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof.

The 2022A Bonds have been issued by the District to refund certain obligations of the District, as more fully described in the Indenture.

This 2022A Bond and the interest, premium, if any, hereon and all other 2022A Bonds and the interest and premium, if any, thereon (to the extent set forth in the Indenture) are special obligations of the District, secured by a pledge and lien on the Revenues and any other amounts on deposit in certain funds and accounts created under the Indenture, and payable from the Net Revenues. As and to the extent set forth in the Indenture, all of the Revenues are irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest and premium (if any) on the 2022A Bonds. The District may issue Bonds or

incur Contracts secured by a pledge of Revenues, and payable from Net Revenues, on a parity with the 2022A Bonds, as provided in the Indenture.

The Indenture and the rights and obligations of the District and the Owners of the 2022A Bonds and the Trustee may be modified or amended from time to time and at any time with the written consent of the Owners of a majority in aggregate principal amount of all 2022A Bonds then Outstanding, exclusive of 2022A Bonds disqualified as set forth in the Indenture, in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall: (i) extend the fixed maturity of any 2022A Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the owner of each 2022A Bond so affected; or (ii) reduce the aforesaid percentage of 2022A Bonds the consent of the Owners of which is required to affect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture except as permitted in the Indenture, or deprive the Owners of the 2022A Bonds of the lien created by the Indenture on such Revenues and other assets, except as expressly provided in the Indenture, without the consent of the Owners of all of the 2022A Bonds then Outstanding.

The Indenture and the rights and obligations of the District, of the Trustee and the Owners of the 2022A Bonds may also be modified or amended for certain purposes described more fully in the Indenture at any time in the manner, to the extent and upon the terms provided in the Indenture by a supplemental indenture, which the District and the Trustee may enter into without the consent of any 2022A Bond Owners, if the Trustee shall receive an opinion of 2022A Bond Counsel to the effect that the provisions of such supplemental indenture will not materially adversely affect the interests of the Owners of the Outstanding 2022A Bonds.

The 2022A Bonds are subject to extraordinary redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity and within maturities as directed by the District in a Written Request provided to the Trustee at least 60 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000 from Net Proceeds, upon the terms and conditions of, and as provided for in, the Indenture at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

The 2022A Bonds with stated maturities on or after November 1, 20__ are subject to redemption prior to their respective stated maturities, as a whole or in part on any date as in the order of maturity as directed by the District in a Written Request provided to the Trustee at least 60 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000, on or after May 1, 20__, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

As provided in the Indenture, notice of redemption shall be mailed by the Trustee by first class mail at least 20 days but not more than 60 days prior to the Redemption Date to the respective Owners of any 2022A Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, but neither the failure to receive such notice nor any defect in the

notice or the mailing thereof shall affect the validity of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption.

If this 2022A Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all of the 2022A Bonds and the interest accrued thereon may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This 2022A Bond is transferable by the Registered Owner hereof, in person or by his or her duly authorized attorney in writing, at said office of the Trustee but only in the manner subject to the limitations and upon payment of the taxes and charges provided in the Indenture and upon surrender and cancellation of this 2022A Bond. Upon registration of such transfer, a new 2022A Bond or 2022A Bonds of the same series, of authorized denomination or denominations, for the same aggregate principal amount of the same maturity will be issued to the transferee in exchange therefor.

2022A Bonds may be exchanged at said office of the Trustee for a like aggregate principal amount of 2022A Bonds of other authorized denominations of the same series and same maturity, but only in the manner, subject to the limitations and upon payment of the taxes and charges provided in the Indenture.

The Trustee shall not be required to register the transfer or exchange of any 2022A Bond during the period in which the Trustee is selecting 2022A Bonds for redemption or any 2022A Bond that has been selected for redemption.

The District and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the District and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this 2022A Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Indenture and the laws of the State of California and that the amount of this 2022A Bond, together with all other indebtedness of the District, does not exceed any limit under any laws of the State of California, and is not in excess of the amount of 2022A Bonds permitted to be issued under the Indenture.

This 2022A Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the District has caused this 2022A Bond to be executed in its name and on its behalf with the manual or facsimile signature of its President as of this ___th day of _____, 2022.

SACRAMENTO SUBURBAN WATER DISTRICT

By: _____
Its: President, Board of Directors

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
TO APPEAR ON 2022A BONDS]

This is one of the 2022A Bonds described in the within-mentioned Indenture.

Dated: _____, 2022

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee

By: _____
Its: Authorized Signatory

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto

(Name, Address and Tax Identification or
Social Security Number of Assignee)

the within registered 2022A Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within 2022A Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

EXHIBIT B
2022B INDENTURE

INDENTURE OF TRUST

Dated as of March 1, 2022

By and between

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee**

and the

SACRAMENTO SUBURBAN WATER DISTRICT

Relating to

**\$ _____
SACRAMENTO SUBURBAN WATER DISTRICT
REFUNDING REVENUE BONDS, SERIES 2022B (TAXABLE)**

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, made and entered into and dated as of March 1, 2022 (the “Indenture”), by and between SACRAMENTO SUBURBAN WATER DISTRICT, a county water district duly organized and existing under and by virtue of the laws of the State of California (the “District”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as trustee hereunder (the “Trustee”);

WITNESSETH:

WHEREAS, the District has determined that it is in the best interest of the public to refund a portion of the outstanding Sacramento Suburban Water District Refunding Revenue Bonds, Series 2012A (the “2012A Bonds”); and

WHEREAS, the District is authorized by Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, including but not limited to Section 53583, to issue bonds for the purpose of refunding any evidences of indebtedness of the District; and

WHEREAS, in order to provide for the authentication and delivery of refunding revenue bonds (the “2022B Bonds”), to establish and declare the terms and conditions upon which such 2022B Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and premium, if any, thereon, the District has authorized the execution and delivery of the Indenture; and

WHEREAS, the District has determined that all acts and proceedings required by law necessary to make the 2022B Bonds, when executed by the District, authenticated and delivered by the Trustee, and duly issued, the valid, binding and legal special obligations of the District, and to constitute the Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture have been in all respects duly authorized;

NOW, THEREFORE, THE INDENTURE WITNESSETH:

GRANTING CLAUSES

The District, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the mutual covenants herein contained and of the purchase and acceptance of the 2022B Bonds by the owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and the interest and premium (if any) on all 2022B Bonds at any time issued and Outstanding under the Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, does hereby assign and pledge unto, and grant a security interest in, the following (the “Trust Estate”) to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the District to the 2022B Bond Owners hereinafter set forth:

GRANTING CLAUSE FIRST

All right, title and interest of the District in and to the Revenues (as defined herein), including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any Revenues payable to or receivable by the District under the Constitution of the State, the Government Code of the State of California and the Indenture and any other applicable laws of the State or otherwise, to bring actions and proceedings thereunder for the enforcement thereof, and to do any and all things which the District is or may become entitled to do thereunder, subject to the terms hereof.

GRANTING CLAUSE SECOND

All moneys and securities held in funds and accounts of the Indenture and all other rights of every name and nature from time to time herein or hereafter by delivery or by writing of any kind pledged, assigned or transferred as and for additional security hereunder to the Trustee by the District or by anyone on its behalf, or with its written consent, and to hold and apply the same, subject to the terms hereof.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and assigns forever for the benefit of the Owners and such pledge shall constitute a lien on and security interest in such Trust Estate;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the 2022B Bonds issued under and secured by the Indenture without privilege, priority or distinction as to the lien or otherwise of any of the 2022B Bonds over any of the other 2022B Bonds;

PROVIDED, HOWEVER, that if the District, its successors or assigns shall well and truly pay, or cause to be paid, the principal of and interest and any redemption premium on the 2022B Bonds due or to become due thereon, at the times and in the manner provided in the 2022B Bonds according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof, then upon such final payments or deposits as herein provided, the Indenture and the rights hereby granted shall cease, terminate and be void; otherwise the Indenture shall remain in full force and effect.

THE INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all 2022B Bonds issued and secured hereunder are to be issued, authenticated and delivered, and all sold property, rights and interests, including, without limitation, the Revenues, hereby assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the District has agreed and covenanted and does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the 2022B Bonds, as follows:

ARTICLE I

DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of the Indenture and of any indenture supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

Accountant's Report. The term "Accountant's Report" means a report signed by an Independent Certified Public Accountant.

Authorized Representative. The term "Authorized Representative" means, with respect to the District, its President, Vice President, Secretary, General Manager, Finance Director or any other person designated as an Authorized Representative of the District by a Certificate of the District signed by its President, Vice President, Secretary, General Manager or Finance Director and filed with the Trustee.

Bond Counsel. The term "Bond Counsel" means Stradling Yocca Carlson & Rauth, a Professional Corporation, or another firm of nationally recognized attorneys experienced in the issuance of obligations the interest on which is excludable from gross income under Section 103 of the Code.

Bond Proceeds Fund. The term "Bond Proceeds Fund" means the fund by that name established pursuant to 3.02.

Bonds. The term "Bonds" means all revenue bonds or notes of the District authorized, executed, issued and delivered by the District, the payments of which are payable from Net Revenues on a parity with the 2022B Bonds and which are secured by a pledge of and lien on Revenues as described in Section 5.01 hereof, including but not limited the 2018A Bonds and the 2022A Bonds.

Business Day. The term "Business Day" means: (i) a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the State, or in any other state in which the Office of the Trustee is located, are closed; or (ii) a day on which the New York Stock Exchange is not closed.

Certificate; Direction; Request; Requisition. The terms "Certificate," "Direction," "Request," and "Requisition" of the District mean a written certificate, direction, request or requisition signed in the name of the District by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.02, each such instrument shall include the statements provided for in Section 1.02.

Closing Date. The term "Closing Date" means the date on which the 2022B Bonds are delivered to the original purchaser thereof.

Code. The term "Code" means the Internal Revenue Code of 1986, as amended.

Comparable Treasury Issue. The term "Comparable Treasury Issue" means, with respect to any redemption date for a particular 2022B Bond, the United States Treasury security or securities

selected by the Designated Investment Banker which has an actual or interpolated maturity comparable to the remaining average life of the particular 2022B Bond to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the particular 2022B Bond to be redeemed.

Comparable Treasury Price. The term “Comparable Treasury Price” means, with respect to any redemption date for a particular 2022B Bond, the average of four Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all quotations obtained by the Designated Investment Banker.

Continuing Disclosure Certificate. The term “Continuing Disclosure Certificate” means the Continuing Disclosure Certificate, dated the Closing Date, by the District, as originally executed and as it may be from time to time amended or supplemented in accordance with its terms.

Contracts. The term “Contracts” means any contracts of the District authorized and executed by the District, which are payable from Net Revenues on a parity with the 2022B Bonds and which are secured by a pledge and lien on Revenues as described in Section 5.01 hereof; but excluding contracts entered into for operation and maintenance of the Water System.

Corporation. The term “Corporation” means the Sacramento Suburban Water District Financing Corporation, a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California.

Costs of Issuance. The term “Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, issuance, sale and delivery of the 2022B Bonds, including but not limited to costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Trustee and counsel to the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, title insurance premiums, letter of credit fees and bond insurance premiums (if any), fees and charges for preparation, execution and safekeeping of the 2022B Bonds and any other cost, charge or fee in connection with the original issuance of the 2022B Bonds.

Costs of Issuance Fund. The term “Costs of Issuance Fund” means the fund by that name established pursuant to Section 3.03.

Date of Operation. The term “Date of Operation” means, with respect to any uncompleted component of a Parity Project, the estimated date by which such uncompleted component of a Parity Project will have been completed and, in the opinion of an engineer, will be ready for operation by or on behalf of the District.

Debt Service. The term “Debt Service” means, for any period of calculation, the sum of:

(1) the interest payable during such period on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of

America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program);

(2) those portions of the principal amount of all outstanding serial Bonds maturing in such period (but excluding Excluded Principal);

(3) those portions of the principal amount of all outstanding term Bonds required to be redeemed or paid in such period (but excluding Excluded Principal); and

(4) those portions of the Contracts required to be made during such period, (except to the extent that the interest evidenced and represented thereby is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program) and except Excluded Principal);

but less the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for Bonds or Contracts;

provided that, as to any such Bonds or Contracts bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to bear interest at a fixed rate equal to the higher of: (i) the then current variable interest rate borne by such Bonds or Contracts plus 1%; and (ii) the highest variable rate borne over a 6 month period during the preceding 24 months by outstanding variable rate debt issued by the District or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued; and

provided further that if any series or issue of such Bonds or Contracts have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year (and such principal is not Excluded Principal), Debt Service shall be determined for the period of determination as if the principal of and interest on such series or issue of such Bonds or Contracts were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of thirty (30) years from the date of calculation;

provided further that, as to any such Bonds or Contracts or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Bonds or Contracts or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and

provided further that if the Bonds or Contracts constitute Paired Obligations, the interest rate on such Bonds or Contracts shall be the resulting linked rate or the effective fixed interest rate to be paid by the District with respect to such Paired Obligations but only if the applicable Paired Obligations satisfies the requirement set forth in Section 11.16 hereof; 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 Bonds and Contracts for which such debt service reserve fund was established and to the extent the amount

in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each preceding year, in descending order, until such amount is exhausted.

Depository; DTC. The term “Depository” or “DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York in its capacity as securities depository for the 2022B Bonds.

District. The term “District” means Sacramento Suburban Water District, a county water district duly organized and existing under and by virtue of the laws of the State.

Event of Default. The term “Event of Default” means any of the events specified in Section 7.01.

Excluded Principal. The term “Excluded Principal” means each payment of principal of any Bond or Contract for which there is on file with the Trustee (i) a certificate of an Independent Municipal Consultant to the effect that such Bond or Contract is commercial paper or otherwise of a revolving nature and has a maturity of less than 42 months and (ii) a certificate of an Authorized Representative to the effect that the District intends to pay such principal from the proceeds of Bonds or Contracts or other bonds, notes or other obligations of the District. No such determination shall affect the security for such Bonds or Contracts or the obligation of the District to pay such Bonds or Contracts from Net Revenues.

Federal Securities. The term “Federal Securities” means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or noncallable obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by the United States of America.

Fiscal Year. The term “Fiscal Year” means the twelve month period beginning on January 1 of each year and ending on December 31 of such year, both dates inclusive, or any other twelve month period hereafter selected and designated as the official fiscal year period of the District.

Generally Accepted Accounting Principles. The term “Generally Accepted Accounting Principles” means the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

Indenture. The term “Indenture” means the Indenture of Trust, dated as of March 1, 2022, by and between the District and the Trustee, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

Independent Certified Public Accountant. The term “Independent Certified Public Accountant” means any firm of certified public accountants appointed by the District, each of whom is independent of the District pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

Independent Municipal Consultant. The term “Independent Municipal Consultant” means a municipal advisor or firm of such municipal advisors appointed by the District, which may, for purposes of the certification described in the definition of “Paired Obligations” be an interest rate swap adviser, and who, or each of whom: (1) is in fact independent and not under domination of the District; (2) does not have any substantial interest, direct or indirect, with the District; (3) is registered as a “municipal advisor,” as defined in Section 15B of the Securities Exchange Act of 1934, as amended; and (4) is not connected with the District as an officer or employee thereof, but who may be regularly retained to make reports thereto.

Information Services. The term “Information Services” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the District may specify in a certificate to the Trustee and as the Trustee may select.

Initial Rating Requirement. The term “Initial Rating Requirement” means the rating requirement described in Section 11.16(a).

Interest Account. The term “Interest Account” means the account by that name in the Payment Fund established pursuant to Section 5.02.

Interest Payment Date. The term “Interest Payment Date” means November 1, 2022 and each May 1 and November 1 thereafter.

Investment Agreement. The term “Investment Agreement” means an investment agreement supported by appropriate opinions of counsel; provided the provider thereof or the guarantor thereof is rated at least “AA” and “Aa” by S&P and Moody’s, respectively.

Letter of Representations. The term “Letter of Representations” means the letter of the District delivered to and accepted by the Depository on or prior to delivery of the 2022B Bonds as book entry bonds setting forth the basis on which the Depository serves as depository for such book entry bonds, as originally executed or as it may be supplemented or revised or replaced by a letter from the District delivered to and accepted by the Depository.

Minimum Rating Requirement. The term “Minimum Rating Requirement” means the rating requirement described in Section 11.16(b).

Moody’s. The term “Moody’s” means Moody’s Investors Service, Inc., or any successor thereto.

Net Proceeds. The term “Net Proceeds” means, when used with respect to any casualty insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all expenses (including attorneys fees) incurred in the collection of such proceeds.

Net Revenues. The term “Net Revenues” means, for any Fiscal Year, the Revenues for such Fiscal Year less the Operation and Maintenance Costs for such Fiscal Year. When held by the Trustee in any funds or accounts established hereunder, Net Revenues shall include all interest or gain derived from the investment of amounts in any of such funds or accounts.

Nominee. The term “Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.08 hereof.

Office of the Trustee. The term “Office of the Trustee” means the principal corporate trust office of the Trustee in San Francisco, California, provided that for purposes of payment, redemption, exchange, transfer, surrender and cancellation of 2022B Bonds, such term means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as the Trustee may from time to time designate in writing to the District and the Owners.

Operation and Maintenance Costs. The term “Operation and Maintenance Costs” means: (1) costs spent or incurred for maintenance and operation of the Water System calculated in accordance with Generally Accepted Accounting Principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Water System in good repair and working order, and including administrative costs of the District that are charged directly or apportioned to the Water System, including but not limited to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the District or charges (other than debt service payments) required to be paid by it to comply with the terms of the 2022B Bonds or of the Indenture or any Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds; and (2) costs spent or incurred in the purchase of water for the Water System (including fixed, variable or other costs); but excluding in all cases: (w) depreciation, replacement and obsolescence charges or reserves therefor; (x) losses on the disposal of capital assets; (y) payment of grants received by the District for activities unrelated to the Water System to other entities; and (z) amortization of intangibles and other non-cash operating expenses and other bookkeeping entries of a similar nature and all capital charges.

Opinion of Counsel. The term “Opinion of Counsel” means a written opinion of counsel (including but not limited to counsel to the District) selected by the District. If and to the extent required by the provisions of Section 1.02, each Opinion of Counsel shall include the statements provided for in Section 1.02.

Outstanding. The term “Outstanding,” when used as of any particular time with reference to 2022B Bonds, means (subject to the provisions of Section 11.09) all 2022B Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Indenture except: (i) 2022B Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) 2022B Bonds with respect to which all liability of the District shall have been discharged in accordance with Section 10.02, including 2022B Bonds (or portions thereof) described in Section 11.09; and (iii) 2022B Bonds for the transfer or exchange of or in lieu of or in substitution for which other 2022B Bonds shall have been authenticated and delivered by the Trustee pursuant to the Indenture.

Owner; 2022B Bond Owner. The term “Owner” or “2022B Bond Owner,” whenever used herein with respect to a 2022B Bond, means the person in whose name the ownership of such 2022B Bond is registered on the Registration Books.

Paired Obligation Provider. The term “Paired Obligation Provider” means a party to a Paired Obligation other than the District.

Paired Obligations. The term “Paired Obligations” means any Bond or Contract (or portion thereof) designated as Paired Obligations in the resolution, indenture or other document authorizing the issuance or execution and delivery thereof, which are simultaneously issued or executed and delivered: (i) the principal of which is of equal amount maturing and to be redeemed or prepaid (or cancelled after acquisition thereof) on the same dates and in the same amounts; and (ii) the interest rates which, taken together, are reasonably expected to result in a fixed interest rate obligation of the District for the term of such Bond or Contract, as certified by an Independent Municipal Consultant in writing, and which comply with the provisions of Section 11.16 hereof.

Parity Project. The term “Parity Project” means any additions, betterments, extensions or improvements designated by the Board of Directors of the District as a Parity Project, the acquisition and construction of which is to be paid for with the proceeds of any Contracts or Bonds.

Participants. The term “Participants” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book entry certificates as securities depository.

Payment Fund. The term “Payment Fund” means the fund by that name established pursuant to Section 5.02.

Permitted Investments. The term “Permitted Investments” means any of the following obligations if and to the extent that they are permissible investments of funds of the District:

(a) Direct obligations of the United States (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (“Eximbank”)
Direct obligations or fully guaranteed certificates of beneficial ownership
2. Farmers Home Administration (“FmHA”)
Certificates of beneficial ownership
3. Federal Financing Bank
4. Federal Housing Administration Debentures (“FHA”)
5. General Services Administration
Participation certificates
6. Government National Mortgage Association (“GNMA”)
GNMA - guaranteed mortgage-backed bonds

GNMA - guaranteed pass-through obligations (not acceptable for certain cash-flow sensitive issues)

7. United States Maritime Administration
Guaranteed Title XI financing
8. United States Department of Housing and Urban Development (“HUD”)
Project Notes
Local Authority Bonds
New Communities Debentures
United States government guaranteed debentures
United States Public Housing Notes and Bonds
United States government guaranteed public housing notes and bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit United States government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
Senior debt obligations
2. Federal Home Loan Mortgage Corporation (“FHLMC”)
Participation Certificates
Senior debt obligations
3. Federal National Mortgage Association (“FNMA”)
Mortgage-backed securities and senior debt obligations
4. Student Loan Marketing Association (“SLMA”)
Senior debt obligations
5. Resolution Funding Corporation obligations
6. Farm Credit System
Consolidated system-wide bonds and notes

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of “AAAm-G,” “AAA-m” or “AA-m” and if rated by Moody’s rated “Aaa,” “Aa1” or “Aa2,” including funds for which the Trustee or any of its affiliates (including any holding company, subsidiaries, or other affiliates) provides investment advisory or other management services but excluding such funds with a floating net asset value, provided such funds satisfy the criteria contained in this Indenture.

(e) Certificates of deposit secured at all times by collateral described in clauses (a) and/or (b) above. Such certificates must be issued by commercial banks (including affiliates of the Trustee), savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits (including those of the Trustee and its affiliates) which are fully insured by FDIC, or secured at all times by collateral described in clauses (a) and/or (b) above.

(g) Investment Agreements, including guaranteed investment contracts, forward purchase agreements and reserve fund put agreements.

(h) Commercial paper rated, at the time of purchase, “Prime-1” by Moody’s and “A-1” or better by S&P.

(i) Bonds or notes issued by any state or municipality which are rated by Moody’s and S&P in one of the two highest Rating Categories assigned by such agencies.

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank (including those of the Trustee and its affiliates) which has an unsecured, uninsured and unguaranteed obligation rating of “Prime-1” or “A3” or better by Moody’s and “A-1” or “A” or better by S&P.

(k) Repurchase agreements for 30 days or less must follow the following criteria. Repurchase agreements which provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date; and:

1. Repurchase agreements must be between the municipal entity and a dealer bank or securities firm;

A. Primary dealers on the Federal Reserve reporting dealer list which are rated “A” or better by S&P and Moody’s; or

B. Banks rated “A” or above by S&P and Moody’s.

2. The written repurchase agreements contract must include the following:

A. Securities which are acceptable for transfer are:

(1) Direct United States governments, or

(2) Federal agencies backed by the full faith and credit of the United States government (and FNMA & FHLMC)

B. The term of a repurchase agreement may be up to 30 days

C. The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

D. Valuation of Collateral

(1) The securities must be valued weekly, marked to market at current market price plus accrued interest.

(2) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

(3) A legal opinion must be delivered to the municipal entity to the effect that the repurchase agreement meets guidelines under state law for legal investment of public funds.

(l) Any state administered pool investment fund in which the District is statutorily permitted or required to invest will be deemed a permitted investment, including, but not limited to the Local Agency Investment Fund in the treasury of the State.

Principal Account. The term “Principal Account” means the account by that name in the Payment Fund established pursuant to Section 5.02.

Rating. The term “Rating” means any currently effective rating on the 2022B Bonds issued by a Rating Agency.

Rating Agency. The term “Rating Agency” means S&P.

Record Date. The term “Record Date” means, with respect to any Interest Payment Date, the fifteenth (15th) day of the calendar month preceding such Interest Payment Date, whether or not such day is a Business Day.

Redemption Date. The term “Redemption Date” means the date fixed for an optional redemption prior to maturity of the 2022B Bonds.

Redemption Fund. The term “Redemption Fund” means the fund by that name established pursuant to Section 5.05.

Redemption Price. The term “Redemption Price” means, with respect to any 2022B Bond (or portion thereof), the principal amount of such 2022B Bond (or portion) plus the interest accrued to the applicable Redemption Date and the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such 2022B Bond and the Indenture.

Reference Treasury Dealer. The term “Reference Treasury Dealer” means a primary dealer of United States Government securities in the United States appointed by the District.

Reference Treasury Dealer Quotations. The term “Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date for a particular 2022B Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal

amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time at least three Business days but no more than 20 Business days preceding the date fixed for redemption.

Registration Books. The term “Registration Books” means the records maintained by the Trustee for the registration of ownership and registration of transfer of the 2022B Bonds pursuant to Section 2.05.

Responsible Officer of the Trustee. The term “Responsible Officer of the Trustee” means any officer within the corporate trust services division of the Trustee (or any successor group or department of the Trustee) including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, with responsibility for the administration of the Indenture.

Revenue Fund. The term “Revenue Fund” means the District account previously established by the District designated as account number 00-11521, and such other funds as the Board of Directors of the District shall establish and designate as a part of the Revenue Fund established pursuant to Section 5.01(b).

Revenues. The term “Revenues” means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Water System, including, without limiting the generality of the foregoing:

(1) all income, rents, rates, fees, charges or other moneys derived by the District from the sale, furnishing and supplying of the water or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Water System determined in accordance with Generally Accepted Accounting Principles;

(2) the proceeds of any stand-by or water availability charges, development fees and connection charges collected by the District; and

(3) the earnings on and income derived from the investment of amounts described in clauses (1) and (2) above and from District reserves;

but excluding:

(w) customers’ deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District;

(x) any proceeds of taxes or assessments restricted by law to be used by the District to pay bonds or other obligations heretofore or hereafter issued;

(y) grant revenues received by the District for activities unrelated to the Water System and to be passed through to other entities; and

(z) revenues of any water system acquired through merger, consolidation or similar action to the extent that the exclusion of such acquired water system is required pursuant to the terms of such merger, consolidation or similar action (provided, however, that the exclusion from Revenues set forth in this subsection (z) shall not apply if the District shall have executed and

delivered Contracts or issued Bonds to finance the acquisition of or capital improvement to any such water system).

S&P. The term “S&P” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, or any successor thereto.

Securities Depositories. The term “Securities Depositories” means The Depository Trust Company; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District deliver to the Trustee.

State. The term “State” means the State of California.

Supplemental Indenture. The term “Supplemental Indenture” means any indenture hereafter duly authorized and entered into between the District and the Trustee, supplementing, modifying or amending the Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

Termination Payment. The term “Termination Payment” means any net settlement, breakage or other termination payment required to be paid under the Interest Rate Swap Agreement or under any other interest rate hedge, swap, cap, collar or similar arrangement entered into by the District as permitted hereunder.

Treasury Rate. The term “Treasury Rate” means, with respect to any redemption date for a particular 2022B Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semi-annual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price, as calculated by the Designated Investment Banker.

Trustee. The term “Trustee” means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, or its successor as Trustee hereunder as provided in Section 8.01.

2012A Bonds. The term “2012A Bonds” means the Sacramento Suburban Water District Refunding Revenue Bonds, Series 2012A issued on April 19, 2012.

2012A Indenture. The term “2012A Indenture” means the Indenture of Trust, dated as of February 1, 2012, by and between the District and the 2012A Trustee, as trustee, pursuant to which the 2012A Bonds were issued.

2012A Trustee. The term “2012A Trustee” means U.S. Bank Trust Company, National Association, as successor to MUFG Union Bank, N.A. (formerly known as Union Bank, N.A.)

2018A Bonds. The term “2018A Bonds” means the Sacramento Suburban Water District Refunding Revenue Bonds, 2018A (Taxable) outstanding from time-to-time.

2022A Bonds. The term “2022A Bonds” means the Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022A outstanding from time to time.

2022B Bonds. The term “2022B Bonds” means the Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022B (Taxable) issued hereunder.

Valuation Date. “Valuation Date” means the fifth Business Day preceding the date of redemption.

Value. The term “Value,” which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(a) for the purpose of determining the amount of any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include, but are not limited to, pricing services provided by Financial Times Interactive Data Corporation, Bank of America Merrill Lynch and Morgan Stanley Smith Barney.

(b) As to certificates of deposit and bankers’ acceptances: the face amount thereof, plus accrued interest.

(c) As to any investment not specified above: market value, or, if the market value is not ascertainable by the District or the Trustee, at cost.

Water Service. The term “Water Service” means the water distribution service made available or provided by the Water System.

Water System. The term “Water System” means the whole and each and every part of the water system of the District, including all real property and buildings, including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to such water system or electric facilities or any part thereof hereafter acquired or constructed, and excluding any water system acquired through merger, consolidation or similar action, to the extent that the exclusion of such acquired water system is required pursuant to the term of such merger, consolidation or similar action unless the District shall have executed and delivered Contracts or issued Bonds to finance the acquisition of or capital improvement to any such acquired water system.

Written Consent of the District; Written Order of the District; Written Request of the District; Written Requisition of the District. The terms “Written Consent of the District,” “Written Order of the District,” “Written Request of the District,” and “Written Requisition of the District” mean, respectively, a written consent, order, request or requisition signed by or on behalf of the District by the President or General Manager or its Finance Director or by the Secretary or by any two persons (whether or not members of the Board of Directors) who are specifically authorized by resolution of the District to sign or execute such a document on its behalf.

Section 1.02. Content of Certificates and Opinions. Every certificate or opinion provided for in the Indenture except the certificate of destruction provided for in Section 11.05 hereof, with respect to compliance with any provision hereof shall include: (1) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such person he has made or caused to be made such examination or investigation as is necessary to enable him to

express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; (4) a statement of the assumptions upon which such certificate or opinion is based, and that such assumptions are reasonable; and (5) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate or opinion made or given by an officer of the District may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an Independent Certified Public Accountant or Independent Municipal Consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel or an Independent Certified Public Accountant or Independent Municipal Consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the District) upon a certificate or opinion of or representation by an officer of the District, unless such counsel or Independent Certified Public Accountant or Independent Municipal Consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the District, or the same counsel or Independent Certified Public Accountant or Independent Municipal Consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of the Indenture, but different officers, counsel or Independent Certified Public Accountants or Independent Municipal Consultants may certify to different matters, respectively.

Section 1.03. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to the Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE 2022B BONDS

Section 2.01. Authorization of 2022B Bonds. The District hereby authorizes the issuance hereunder from time to time of the 2022B Bonds, which shall constitute special obligations of the District, for the purpose of refunding the outstanding 2012A Bonds maturing on and after November 1, 2022. The 2022B Bonds are hereby designated the "Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022B (Taxable)" in the aggregate principal amount of \$_____. The Indenture constitutes a continuing agreement with the Owners from time to time

of the 2022B Bonds to secure the full payment of the principal of and interest and premium (if any) on all the 2022B Bonds, subject to the covenants, provisions and conditions herein contained.

Section 2.02. Terms of the 2022B Bonds. The 2022B Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof.

(a) The 2022B Bonds shall mature on November 1 in each of the years and in the amounts set forth below and shall bear interest on each Interest Payment Date at the rates set forth below:

<i>Maturity Date</i> <i>(November 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
	\$	%

Interest on the 2022B Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee sent by first class mail on the applicable Interest Payment Date to the Owner at the address of such Owner as it appears on the Registration Books (except that in the case of an Owner of one million dollars (\$1,000,000) or more in principal amount, such payment may, at such Owner's option, be made by wire transfer of immediately available funds to an account in the United States in accordance with written instructions provided to the Trustee by such Owner prior to the Record Date. Principal of and premium (if any) on any 2022B Bond shall be paid by check of the Trustee upon presentation and surrender thereof at maturity or upon the prior redemption thereof, at the Office of the Trustee. Both the principal of and interest and premium (if any) on the 2022B Bonds shall be payable in lawful money of the United States of America.

Each 2022B Bond shall be dated the date of initial delivery, and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless: (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) unless it is authenticated on or before [October 15, 2022], in which event it shall bear interest from the date of initial delivery; provided, however, that if, as of the date of authentication of any 2022B Bond, interest thereon is in default, such 2022B Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Interest on the 2022B Bonds shall be calculated on the basis of a 360 day year composed of twelve 30 day months.

Section 2.03. Transfer of 2022B Bonds. Any 2022B Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such 2022B Bond at the Office of

the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. The Trustee shall not be required to register the transfer of any 2022B Bond during the period in which the Trustee is selecting 2022B Bonds for redemption and any 2022B Bond that has been selected for redemption.

Whenever any 2022B Bond or 2022B Bonds shall be surrendered for transfer, the District shall execute and the Trustee shall authenticate and shall deliver a new 2022B Bond or 2022B Bonds of authorized denomination or denominations for a like series and aggregate principal amount of the same maturity. The Trustee shall require the 2022B Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. Following any transfer of 2022B Bonds, the Trustee will cancel and destroy the 2022B Bonds it has received.

Section 2.04. Exchange of 2022B Bonds. 2022B Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of other authorized denominations of the same series and maturity. The Trustee shall not be required to exchange any 2022B Bond during the period in which the Trustee is selecting 2022B Bonds for redemption and any 2022B Bond that has been selected for redemption. The Trustee shall require the 2022B Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. Following any exchange of 2022B Bonds, the Trustee will cancel and destroy the 2022B Bonds it has received.

Section 2.05. Registration Books. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the 2022B Bonds, which shall upon reasonable notice and at reasonable times be open to inspection during regular business hours by the District and the Owners; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the 2022B Bonds as hereinbefore provided.

The person in whose name any 2022B Bond shall be registered shall be deemed the Owner thereof for all purposes hereof, and payment of or on account of the interest on and principal and Redemption Price of by such 2022B Bonds shall be made only to or upon the order in writing of such registered Owner, which payments shall be valid and effectual to satisfy and discharge liability upon such 2022B Bond to the extent of the sum or sums so paid.

Section 2.06. Form and Execution of 2022B Bonds. The 2022B Bonds shall be in substantially the form set forth in Exhibit A hereto. The 2022B Bonds shall be executed in the name and on behalf of the District with the manual or facsimile signature of its President. The 2022B Bonds may carry a seal, and such seal may be in the form of a facsimile of the District's seal and may be reproduced, imprinted or impressed on the 2022B Bonds. The 2022B Bonds shall then be delivered to the Trustee for authentication by it. In case any of the officers who shall have signed or attested any of the 2022B Bonds shall cease to be such officer or officers of the District before the 2022B Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the District, such 2022B Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the District as though those who signed and attested the same had continued to be such officers of the District, and also any 2022B Bonds may be signed and attested on behalf of the District by such persons as at the actual date of execution of such 2022B Bonds shall be the proper officers of the District although at the nominal date of such 2022B Bonds any such person shall not have been such officer of the District.

Only such of the 2022B Bonds as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibit A hereto, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of the Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the 2022B Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of the Indenture.

Section 2.07. 2022B Bonds Mutilated, Lost, Destroyed or Stolen. If any 2022B Bond shall become mutilated, the District, at the expense of the Owner of said 2022B Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new 2022B Bond of like tenor, series and authorized denomination in exchange and substitution for the 2022B Bonds so mutilated, but only upon surrender to the Trustee of the 2022B Bond so mutilated. Every mutilated 2022B Bond so surrendered to the Trustee shall be canceled by it. If any 2022B Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the District, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new 2022B Bond of like tenor, series and authorized denomination in lieu of and in substitution for the 2022B Bond so lost, destroyed or stolen (or if any such 2022B Bond shall have matured or shall be about to mature, instead of issuing a substitute 2022B Bond, the Trustee may pay the same without surrender thereof). The District may require payment by the Owner of a sum not exceeding the actual cost of preparing each new 2022B Bond issued under this Section and of the expenses which may be incurred by the District and the Trustee in the premises. Any 2022B Bond issued under the provisions of this Section in lieu of any 2022B Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the 2022B Bond so alleged to be lost, destroyed, or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of the Indenture with all other 2022B Bonds secured by the Indenture. Notwithstanding any other provision of this Section, in lieu of delivering a new 2022B Bond for a 2022B Bond which has been mutilated, lost, destroyed or stolen and which has matured or has been selected for redemption, the Trustee may make payment of such 2022B Bond upon receipt of indemnity satisfactory to the Trustee.

Section 2.08. Book Entry System.

(a) Election of Book Entry System. Prior to the issuance of the 2022B Bonds, the District may provide that such 2022B Bonds shall be initially issued as book entry 2022B Bonds. If the District shall elect to deliver any 2022B Bonds in book entry form, then the District shall cause the delivery of a separate single fully registered bond (which may be typewritten) for each maturity date of such 2022B Bonds in an authorized denomination corresponding to that total principal amount of the 2022B Bonds designated to mature on such date. Upon initial issuance, the ownership of each such 2022B Bond shall be registered in the 2022B Bond Registration Books in the name of the Nominee, as nominee of the Depository, and ownership of the 2022B Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 2.08(e).

With respect to book entry 2022B Bonds, the District and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book entry 2022B Bonds. Without limiting the immediately preceding sentence, the District and the Trustee shall have no responsibility or obligation with respect to: (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book entry 2022B Bonds; (ii) the delivery to any Participant or any other

person, other than an Owner as shown in the 2022B Bond Registration Books, of any notice with respect to book entry 2022B Bonds, including any notice of redemption; (iii) the selection by the Depository and its Participants of the beneficial interests in book entry 2022B Bonds to be redeemed in the event the District redeems the 2022B Bonds in part; or (iv) the payment by the Depository or any Participant or any other person, of any amount of principal of, premium, if any, or interest on book entry 2022B Bonds. The District and the Trustee may treat and consider the person in whose name each book entry 2022B Bond is registered in the 2022B Bond Registration Books as the absolute Owner of such book entry 2022B Bond for the purpose of payment of principal of, premium and interest on such 2022B Bond, for the purpose of giving notices of redemption and other matters with respect to such 2022B Bond, for the purpose of registering transfers with respect to such 2022B Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the 2022B Bonds only to or upon the order of the respective Owner, as shown in the 2022B Bond Registration Books, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the 2022B Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the 2022B Bond Registration Books, shall receive a 2022B Bond evidencing the obligation to make payments of principal of, premium, if any, and interest on the 2022B Bonds. Upon delivery by the Depository to the District and the Trustee, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in the Indenture shall refer to such nominee of the Depository.

(b) Delivery of Letter of Representations. In order to qualify the book entry 2022B Bonds for the Depository's book entry system, the District shall execute and deliver to the Depository a Letter of Representations if one is not already on file. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Trustee any obligation whatsoever with respect to persons having interests in such book entry 2022B Bonds other than the Owners, as shown on the 2022B Bond Registration Books. In addition to the execution and delivery of a Letter of Representations, the District shall take such other actions, not inconsistent with the Indenture, as are reasonably necessary to qualify book entry 2022B Bonds for the Depository's book entry program.

(c) Selection of Depository. In the event that: (i) the Depository determines not to continue to act as securities depository for book entry 2022B Bonds; or (ii) the District determines that continuation of the book entry system is not in the best interest of the beneficial owners of the 2022B Bonds or the District, then the District will discontinue the book entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered 2022B Bond for each of the maturity dates of such book entry 2022B Bonds, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (e) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the 2022B Bonds shall no longer be restricted to being registered in such 2022B Bond Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such 2022B Bonds shall designate, in accordance with the provisions of Sections 2.03 and 2.04 hereof.

(d) Payments To Depository. Notwithstanding any other provision of the Indenture to the contrary, so long as all Outstanding 2022B Bonds are held in book entry form and registered in the name of the Nominee, all payments of principal of, redemption premium, if any, and

interest on such 2022B Bond and all notices with respect to such 2022B Bond shall be made and given, respectively to the Nominee, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Trustee notwithstanding any inconsistent provisions herein.

(e) Transfer of 2022B Bonds to Substitute Depository.

(i) The 2022B Bonds shall be initially issued as provided in Section 2.01 hereof. Registered ownership of such 2022B Bonds, or any portions thereof, may not thereafter be transferred except:

(A) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to clause (B) of subsection (i) of this Section 2.08(e) (“Substitute Depository”); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(B) to any Substitute Depository, upon: (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository; or (2) a determination by the District that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(C) to any person as provided below, upon: (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository; or (2) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(ii) In the case of any transfer pursuant to clause (A) or clause (B) of subsection (i) of this Section 2.08(e), upon receipt of all Outstanding 2022B Bonds by the Trustee, together with a Written Request of the District to the Trustee designating the Substitute Depository, a single new 2022B Bond, which the District shall prepare or cause to be prepared, shall be issued for each maturity of 2022B Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such Written Request of the District. In the case of any transfer pursuant to clause (C) of subsection (i) of this Section 2.08(e), upon receipt of all Outstanding 2022B Bonds by the Trustee, together with a Written Request of the District to the Trustee, new 2022B Bonds, which the District shall prepare or cause to be prepared, shall be issued in such denominations and registered in the names of such persons as are requested in such Written Request of the District, subject to the limitations of Section 2.01 hereof, provided that the Trustee shall not be required to deliver such new 2022B Bonds within a period of less than sixty (60) days from the date of receipt of such Written Request from the District.

(iii) In the case of a partial redemption or an advance refunding of any 2022B Bonds evidencing a portion of the principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such 2022B Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee, all in accordance with the Letter of Representations. The Trustee shall not be liable for such Depository’s failure to make such notations or errors in making such notations and the records of the Trustee as to the Outstanding principal amount of such 2022B Bonds shall be controlling.

(iv) The District and the Trustee shall be entitled to treat the person in whose name any 2022B Bond is registered as the Owner thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the District; and the District and the Trustee shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the 2022B Bonds. Neither the District nor the Trustee shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any 2022B Bonds, and the Trustee may rely conclusively on its records as to the identity of the Owners of the 2022B Bonds.

ARTICLE III

ISSUANCE OF 2022B BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance of the 2022B Bonds. At any time after the execution of the Indenture, the District may execute and the Trustee shall authenticate and, upon Written Request of the District, deliver the 2022B Bonds in the aggregate principal amount of \$ _____.

Section 3.02. Establishment of Bond Proceeds Fund; Application of Proceeds of the 2022B Bonds. The Trustee shall establish, maintain and hold in trust a separate fund designated the “Bond Proceeds Fund.” The proceeds received from the sale of the 2022B Bonds shall be deposited in the Bond Proceeds Fund with the Trustee, who shall transfer the amount of \$ _____ to the 2012A Trustee for deposit in the redemption fund created pursuant to the 2012A Indenture and deposit the amount of \$ _____ in the Costs of Issuance Fund. Following the foregoing transfers and deposits, the Trustee shall close the Bond Proceeds Fund. The Trustee may establish temporary funds or accounts in its records to record and facilitate such transfer and deposits.

Section 3.03. Establishment and Application of Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the “Costs of Issuance Fund.” The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance upon submission of Requisitions of the District stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred, that such payment is proper charge against said fund and that payment for such charge has not previously been made. Each such Requisition of the District shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the six month anniversary of the issuance of the 2022B Bonds, or upon the earlier Written Request of the District, all amounts remaining in the Costs of Issuance Fund shall be transferred by the Trustee to the Interest Account and the Costs of Issuance Fund shall be closed. Investment earnings on amounts on deposit in the Costs of Issuance Fund shall be applied in accordance with Section 5.06 hereof.

Section 3.04. Validity of 2022B Bonds. The validity of the authorization and issuance of the 2022B Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the District or the Trustee with respect to any other agreement. The recital contained in the 2022B Bonds that the same are issued pursuant to the Constitution and laws of the State shall be conclusive evidence of the validity of and compliance with the provisions of law in their issuance.

ARTICLE IV

REDEMPTION OF 2022B BONDS

Section 4.01. Terms of Redemption.

(a) The 2022B Bonds shall be subject to extraordinary redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity and within maturities as directed by the District in a Written Request provided to the Trustee at least 60 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000 from Net Proceeds, upon the terms and conditions of, and as provided for in, Sections 6.19 and 6.23, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

(b) The 2022B Bonds with stated maturities on or after November 1, 20__ shall be subject to redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity as directed by the District in a Written Request provided to the Trustee at least 60 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000, on or after [November] 1, 20__, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

(c) The 2022B Bonds shall be subject to redemption prior to [November] 1, 20__ at the option of the District, as a whole or in part on any Business Day in the order of maturity as directed by the District in a Written Request provided to the Trustee at least 30 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000, at the "Make-Whole Redemption Price." The "Make-Whole Redemption Price," as determined by the District, is the greater of (1) 100% of the principal amount of the 2022B Bonds to be redeemed; or (2) the sum of the present value of the remaining scheduled payments of principal of and interest to the maturity date on the 2022B Bonds to be redeemed, not including any portion of those payments of interest thereon accrued and unpaid as of the date on which the 2022B Bonds are to be redeemed, discounted to the date on which the 2022B Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus: (i) __ basis points with respect to the 2022B Bonds maturing on November 1, 20__ through November 1, 20__, inclusive; and (ii) __ basis points with respect to the 2022B Bonds maturing on November 1, 20__ through November 1, 2027, inclusive; plus, in each case, accrued and unpaid interest on the 2022B Bonds to be redeemed on the date of redemption.

Section 4.02. Selection of 2022B Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the 2022B Bonds, the Trustee shall select the 2022B Bonds for redemption as a whole or in part on any date as directed by the District and by lot within each maturity in integral multiples of \$5,000 in accordance with Section 4.01 hereof. The Trustee will promptly notify the District in writing of the numbers of the 2022B Bonds or portions thereof so selected for redemption.

Notwithstanding anything in the Indenture to the contrary, whenever provision is made in the Indenture for the redemption of less than all of the 2022B Bonds, if the 2022B Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the 2022B Bonds, if less than all of the 2022B Bonds of a maturity are called for prior optional redemption, the particular 2022B Bonds or portions thereof to be redeemed shall be selected on a “Pro Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures, provided that, so long as the 2022B Bonds are held in book-entry form, the selection for redemption of such 2022B Bonds shall be made in accordance with the operational arrangements of DTC then in effect and if the DTC operational arrangements do not allow redemption on a Pro Rata Pass Through Distribution of Principal basis, the 2022B Bonds will be selected for redemption in accordance with DTC procedures by lot and in integral multiples of \$5,000.

Section 4.03. Notice of Redemption. Notice of redemption shall be mailed by first class mail at least twenty (20) days but not more than sixty (60) days before any Redemption Date, to the respective Owners of any 2022B Bonds designated for redemption at their addresses appearing on the Registration Books, to the Securities Depositories and the Information Services; provided that, in the case of notice of optional redemption not related to an advance or current refunding, such notice may be given only if sufficient funds have been deposited with the Trustee to pay the applicable Redemption Price of the 2022B Bonds to be redeemed, provided that such notice may be cancelled by the District upon Written Request delivered to the Trustee not less than five (5) days prior to such Redemption Date. Each notice of redemption shall state the date of notice, the Redemption Date, the place or places of redemption, the Redemption Price, will designate the maturities, CUSIP numbers, if any, and, if less than all 2022B Bonds of any such maturity are to be redeemed, the serial numbers of the 2022B Bonds of such maturity to be redeemed by giving the individual number of each 2022B Bond or by stating that all 2022B Bonds between two stated numbers, both inclusive, have been called for redemption and, in the case of 2022B Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the Redemption Date there will become due and payable on each of said 2022B Bonds or parts thereof designated for redemption the Redemption Price thereof or of said specified portion of the principal thereof in the case of a 2022B Bond to be redeemed in part only, together with interest accrued thereon to the Redemption Date, and that (provided that moneys for redemption have been deposited with the Trustee) from and after such Redemption Date interest thereon shall cease to accrue, and shall require that such 2022B Bonds be then surrendered to the Trustee. Neither the failure to receive such notice nor any defect in the notice or the mailing thereof will affect the validity of the redemption of any 2022B Bond. Notice of redemption of 2022B Bonds shall be given by the Trustee, at the expense of the District, for and on behalf of the District.

With respect to any notice of optional redemption of 2022B Bonds, such notice may state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such 2022B Bonds to be redeemed and that, if such moneys shall not have been so received, said notice shall be of no force and effect and the Trustee shall not be required to redeem such 2022B Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made, and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Section 4.04. Partial Redemption of 2022B Bonds. Upon surrender of any 2022B Bond redeemed in part only, the District shall execute and the Trustee shall authenticate and deliver to the

Owner thereof, at the expense of the District, a new 2022B Bond or 2022B Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the 2022B Bonds surrendered and of the same series, interest rate and maturity.

Section 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the date fixed for redemption on, the 2022B Bonds (or portions thereof) so called for redemption being held by the Trustee, on the Redemption Date designated in such notice, the 2022B Bonds (or portions thereof) so called for redemption shall become due and payable, interest on the 2022B Bonds so called for redemption shall cease to accrue, said 2022B Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Indenture, and the Owners of said 2022B Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof. The Trustee shall, upon surrender for payment of any of the 2022B Bonds to be redeemed on their Redemption Dates, pay such 2022B Bonds at the Redemption Price.

All 2022B Bonds redeemed pursuant to the provisions of this Article shall be canceled upon surrender thereof to the Trustee.

ARTICLE V

REVENUES, FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.01. Pledge and Assignment; Revenue Fund.

(a) All of the Revenues, all amounts held in the Revenue Fund described in subsection (b) below and any other amounts (including proceeds of the sale of the 2022B Bonds) held in any fund or account established pursuant to the Indenture are hereby irrevocably pledged to secure the payment of the principal of and interest, and the premium, if any, on the 2022B Bonds in accordance with their terms and the provisions of the Indenture, and the Revenues shall not be used for any other purpose while the 2022B Bonds remain Outstanding; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted herein. Said pledge, together with the pledge created by all other Contracts and Bonds, shall constitute a first lien on and security interest on Revenues and, subject to application of Revenues and all amounts on deposit therein as permitted herein, the Revenue Fund and other funds and accounts created hereunder for the payment of the principal of and interest, and the premium, if any, on the 2022B Bonds and all Contracts and Debt Service on Bonds in accordance with the terms hereof, and shall attach, be perfected and be valid and binding from and after the Closing Date, without any physical delivery thereof or further act and shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the District, irrespective of whether such parties have notice hereof.

(b) In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants that all Revenues shall be received by the District in trust hereunder and shall be deposited when and as received in a special fund designated as the "Revenue Fund," which fund is hereby continued and which fund the District agrees and covenants to maintain and to hold separate and apart from other funds so long as the 2022B Bonds and any Contracts or Debt Service on Bonds remain unpaid. Moneys in the Revenue Fund shall be used and applied by the

District as provided herein. All moneys in the Revenue Fund shall be held in trust and shall be applied, used and withdrawn for the purposes set forth in this Section.

The District shall, from the moneys in the Revenue Fund, pay all Operation and Maintenance Costs (including amounts reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required) as such Operation and Maintenance Costs become due and payable. All remaining moneys in the Revenue Fund shall be set aside by the District at the following times for the transfer to the following respective special funds in the following order of priority:

(i) Interest and Principal Payments. Not later than the fifth Business Day prior to each Interest Payment Date, the District shall, from the moneys in the Revenue Fund, transfer to the Trustee for deposit in the Payment Fund the payments of interest and principal on the 2022B Bonds due and payable on such Interest Payment Date. The District shall also, from the moneys in the Revenue Fund, transfer to the applicable trustee for deposit in the respective payment fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, any other Debt Service in accordance with the provisions of any Bond or Contract.

(ii) Reserve Funds. On or before each Interest Payment Date the District shall, from the remaining moneys in the Revenue Fund, thereafter, without preference or priority and in the event of any insufficiency of such moneys ratably without any discrimination or preference, transfer to the Trustee for payment to the applicable trustee for reserve funds and/or accounts, if any, as may have been established in connection with Bonds or Contracts, that sum, if any, necessary to restore such funds or accounts to an amount equal to the reserve requirement with respect thereto.

(iii) Surplus. Moneys on deposit in the Revenue Fund on any date when the District reasonably expects such moneys will not be needed for the payment of Operation and Maintenance Costs or for any of the purposes described in clauses (b)(i) or (b)(ii) may be expended by the District at any time for any purpose permitted by law, including but not limited to any Termination Payment or other unpaid amounts due to obligations subordinate hereto.

(iv) Investments. All moneys held by the District in the Revenue Fund shall be invested in Permitted Investments and the investment earnings thereon shall remain on deposit in the Revenue Fund, except as otherwise provided herein.

Section 5.02. Allocation of Revenues. There is hereby established with the Trustee the Payment Fund, which the Trustee covenants to maintain and hold in trust separate and apart from other funds held by it so long as any principal of and interest on the 2022B Bonds remain unpaid. Except as directed herein, all payments of interest and principal on the 2022B Bonds received by the Trustee pursuant to Section 5.01(b) shall be promptly deposited by the Trustee upon receipt thereof into the Payment Fund; except that all moneys received by the Trustee and required hereunder to be deposited in the Redemption Fund shall be promptly deposited therein. All payments of interest and principal on the 2022B Bonds deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. The Trustee shall also establish and hold an Interest Account and a Principal Account within the Payment Fund.

The Trustee shall transfer from the Payment Fund and deposit into the following respective accounts the following amounts in the following order of priority and at the following times, the

requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) Not later than the Business Day preceding each Interest Payment Date, the Trustee shall deposit in the Interest Account that sum, if any, required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such date on all 2022B Bonds then Outstanding. No deposit need be made into the Interest Account so long as there shall be in such fund moneys sufficient to pay the interest becoming due and payable on such date on all 2022B Bonds then Outstanding.

(b) Not later than the Business Day preceding each date on which the principal of the 2022B Bonds shall become due and payable hereunder, the Trustee shall deposit in the Principal Account that sum, if any, required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the 2022B Bonds coming due and payable on such date or subject to mandatory sinking fund redemption on such date. No deposit need be made into the Principal Account so long as there shall be in such fund moneys sufficient to pay the principal becoming due and payable on such date on all 2022B Bonds then Outstanding.

Section 5.03. Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the 2022B Bonds as it shall become due and payable (including accrued interest on any 2022B Bonds purchased or accelerated prior to maturity pursuant to the Indenture).

Section 5.04. Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the 2022B Bonds at maturity, mandatory sinking fund redemption, purchase or acceleration; provided, however, that at any time prior to selection for redemption of any such 2022B Bonds, upon written direction of the District, the Trustee shall apply such amounts to the purchase of 2022B Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed pursuant to a Written Request of the District, except that the purchase price (exclusive of accrued interest) may not exceed the Redemption Price then applicable to the 2022B Bonds.

Section 5.05. Application of Redemption Fund. There will be established with the Trustee when needed a special fund designated as the "Redemption Fund." All amounts in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the Redemption Price of the 2022B Bonds to be redeemed on any Redemption Date pursuant to Section 4.01; provided, however, that at any time prior to selection for redemption of any such 2022B Bonds, upon written direction of the District, the Trustee shall apply such amounts to the purchase of 2022B Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed pursuant to a Written Request of the District, except that the purchase price (exclusive of accrued interest) may not exceed the Redemption Price then applicable to the 2022B Bonds.

Section 5.06. Investments. All moneys in any of the funds or accounts established with the Trustee pursuant to the Indenture shall be invested by the Trustee solely in Permitted Investments. Such investments shall be directed by the District pursuant to a Written Request of the District filed with the Trustee at least two (2) Business Days in advance of the making of such investments. In the

absence of any such directions from the District, the Trustee shall invest any such moneys in Permitted Investments described in clause (d) of the definition thereof; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction from the District specifying a specific money market fund and, if no such written direction from the District is so received, the Trustee shall hold such moneys uninvested. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the Interest Account unless otherwise provided in the Indenture. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder upon the Written Request of the District. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section 5.06.

The District acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee shall furnish the District periodic cash transaction statements which include detail for all investment transactions effected by the Trustee and brokers selected by the District. Upon the District's election, such statements will be delivered via the Trustee's online service and upon electing such service; paper statements will be provided only upon request. The District waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The District further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

The Trustee may make any investments hereunder through its own bond or investment department or trust investment department, or those of its parent or an affiliate. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee under the Indenture.

For investment purposes, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately. In making any valuations of investments hereunder, the Trustee may utilize and rely on computerized securities pricing services that may be available to the Trustee, including those available through the Trustee accounting system.

Section 5.07. Application of Funds and Accounts When No 2022B Bonds are Outstanding. On the date on which all 2022B Bonds shall be retired hereunder or provision made therefor pursuant to Article X and after payment of all amounts due the Trustee hereunder, all moneys then on deposit in any of the funds or accounts established with the Trustee pursuant to the Indenture shall be withdrawn by the Trustee and paid to the District for use by the District at any time for any purpose permitted by law.

ARTICLE VI

PARTICULAR COVENANTS

Section 6.01. Punctual Payment. The District shall punctually pay or cause to be paid the principal and interest to become due in respect of all of the 2022B Bonds, in strict conformity with the terms of the 2022B Bonds and of the Indenture, according to the true intent and meaning thereof, but only out of Net Revenues and other assets pledged for such payment as provided in the Indenture.

Section 6.02. Extension of Payment of 2022B Bonds. The District shall not directly or indirectly extend or assent to the extension of the maturity of any of the 2022B Bonds or the time of payment of any claims for interest by the purchase of such 2022B Bonds or by any other arrangement, and in case the maturity of any of the 2022B Bonds or the time of payment of any such claims for interest shall be extended, such 2022B Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of the Indenture, except subject to the prior payment in full for the principal of all of the 2022B Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the District to issue Bonds for the purpose of refunding any Outstanding 2022B Bonds, and such issuance shall not be deemed to constitute an extension of maturity of 2022B Bonds.

Section 6.03. Against Encumbrances. The District will not make any pledge of or place any lien on Revenues or the moneys in the Revenue Fund except as provided herein. The District may at any time, or from time to time, execute Contracts or issue Bonds as permitted herein. The District may also at any time, or from time to time, incur evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of lien on Revenues on any moneys in the Revenue Fund as may from time to time be deposited therein, provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein.

Section 6.04. Power to Issue 2022B Bonds and Make Pledge and Assignment. The District is duly authorized pursuant to law to issue the 2022B Bonds and to enter into the Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned under the Indenture in the manner and to the extent provided in the Indenture. The 2022B Bonds and the provisions of the Indenture are and will be the legal, valid and binding special obligations of the District in accordance with their terms, and the District and the Trustee shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the 2022B Bond Owners under the Indenture against all claims and demands of all persons whomsoever.

Section 6.05. Accounting Records and Financial Statements.

(a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of 2022B Bonds and all funds and accounts established by it pursuant to the Indenture. Such books of record and account shall be available for inspection by the District upon reasonable prior notice during business hours and under reasonable circumstances.

(b) The District will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Water System, which records shall be available for inspection by the Trustee (which shall have no duty to inspect such records) at reasonable hours and under reasonable conditions.

(c) The District will prepare and file with the Trustee annually within two hundred seventy (270) days of each Fiscal Year (commencing with the Fiscal Year ending December 31, 2021) financial statements of the District for the preceding Fiscal Year prepared in accordance with Generally Accepted Accounting Principles, together with an Accountant's Report thereon. The Trustee shall have no duty to review such financial statements.

Section 6.06. Waiver of Laws. The District shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in the Indenture or in the 2022B Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the District to the extent permitted by law.

Section 6.07. Further Assurances. The District will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture and for the better assuring and confirming unto the Owners of the 2022B Bonds of the rights and benefits provided in the Indenture.

Section 6.08. Budgets. On or prior to the fifteenth day of each Fiscal Year, the District shall certify to the Trustee that the amounts budgeted for payment of the principal of and interest on the 2022B Bonds are fully adequate for the payment of all such payments for such Fiscal Year. If the amounts so budgeted are not adequate for the payment of the principal of and interest on the 2022B Bonds due under the Indenture, the District will take such action as may be necessary to cause such annual budget to be amended, corrected or augmented so as to include therein the amounts required to be raised by the District in the then ensuing Fiscal Year for the payment of the principal of and interest on the 2022B Bonds due under the Indenture and will notify the Trustee of the proceedings then taken or proposed to be taken by the District.

Section 6.09. Observance of Laws and Regulations. To the extent necessary to assure its performance hereunder, the District will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on the District by contract, or prescribed by any law of the United States of America, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the District, respectively, including its right to exist and carry on its business, to the end that such contracts, rights and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 6.10. Compliance with Contracts. The District will neither take nor omit to take any action under any contract if the effect of such act or failure to act would in any manner materially impair or materially adversely affect the ability of the District to pay principal of or interest on the 2022B Bonds; and the District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in all other contracts affecting or involving the Water System, to the extent that the District is a party thereto.

Section 6.11. Prosecution and Defense of Suits. The District shall promptly, upon request of the Trustee or any 2022B Bond Owner, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Water System or any part thereof, whether now existing or hereafter developing, shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee (including all of its employees, officers and directors), the Trustee and every 2022B Bond Owner harmless from all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

The District shall defend against every suit, action or proceeding at any time brought against the Trustee (including all of its employees, officers and directors) or any 2022B Bond Owner upon any claim arising out of the receipt, application or disbursement of any of the payments of principal of or interest on the 2022B Bonds or involving the rights of the Trustee or any 2022B Bond Owner under the Indenture; provided that the Trustee or any 2022B Bond Owner at such party's election may appear in and defend any such suit, action or proceeding. The District shall indemnify and hold harmless the Trustee and the 2022B Bond Owners against any and all liability claimed or asserted by any person, arising out of such receipt, application or disbursement, and shall indemnify and hold harmless the 2022B Bond Owners against any attorneys' fees or other expenses which any of them may incur in connection with any litigation (including pre-litigation activities) to which any of them may become a party by reason of ownership of 2022B Bonds. The District shall promptly reimburse any 2022B Bond Owner in the full amount of any attorneys' fees or other expenses which such Owner may incur in litigation or otherwise in order to enforce such party's rights under the Indenture or the 2022B Bonds, provided that such litigation shall be concluded favorably to such party's contentions therein.

Section 6.12. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of its obligations under the Continuing Disclosure Certificate to be executed and delivered by the District in connection with the issuance of the 2022B Bonds. Notwithstanding any other provision of the Indenture, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Owner or Beneficial Owner 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 Section, subject to the terms and conditions of the Continuing Disclosure Certificate. For purposes of this Section, "Beneficial Owner" means any person which (a) has or shares the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2022B Bond (including persons holding 2022B Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2022B Bonds for federal income tax purposes.

Section 6.13. Additional Contracts and Bonds. The District may at any time execute any Contract or issue any Bonds, as the case may be, in accordance herewith; provided:

(i) The Net Revenues for any consecutive twelve calendar month period during the eighteen calendar month period preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Bonds or the date of the execution of such Contract, as the case may be, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred fifteen percent (115%) of the Debt Service for such twelve month period; and

(ii) The Net Revenues for any consecutive twelve calendar month period during the eighteen calendar month period preceding the date of the execution of such Contract or the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Bonds, as the case may be, including adjustments to give effect as of the first day of such twelve month period to increases or decreases in rates and charges for the Water Service approved and in effect as of the date of calculation, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred fifteen percent (115%) of the Debt Service for such twelve month period, plus the Debt Service which would have accrued on any Contracts executed or Bonds issued since the end of such twelve month period, assuming that such Contracts had been executed or Bonds had been issued at the beginning of such twelve month period, plus the Debt Service which would have accrued had such Contract been executed or Bonds been issued at the beginning of such twelve month period; and

(iii) The estimated Net Revenues for the then current Fiscal Year and for each Fiscal Year thereafter, to and including the first complete Fiscal Year after the latest Date of Operation of any uncompleted Project to be financed from proceeds of such Contracts or Bonds, as evidenced by a certificate of the General Manager on file with the District, including (after giving effect to the completion of all such uncompleted Projects) an allowance for estimated Net Revenues for each of such Fiscal Years arising from any increase in the income, rents, fees, rates and charges estimated to be fixed, prescribed or received for Water Service and which are economically feasible and reasonably considered necessary based on projected operations for such period, as evidenced by a certificate of the General Manager on file with the District, shall produce a sum equal to at least one hundred fifteen percent (115%) of the estimated Debt Service for each of such Fiscal Years, after giving effect to the execution of all Contracts and the issuance of all Bonds estimated to be required to be executed or issued to pay the costs of completing all uncompleted Projects within such Fiscal Years, assuming that all such Contracts and Bonds have maturities, interest rates and proportionate principal repayment provisions similar to the Contract last executed or then being executed or the Bonds last issued or then being issued for the purpose of acquiring and constructing any of such uncompleted Projects.

Notwithstanding the foregoing, Bonds issued or Contracts executed to refund Bonds or Contracts may be delivered without satisfying the conditions set forth above if Debt Service in each Fiscal Year after the Fiscal Year in which such Bonds are issued or Contracts executed is not greater than 110% of the Debt Service which would have been payable in each such Fiscal Year prior to the issuance of such Bonds or execution of such Contracts.

Section 6.14. Against Sale or Other Disposition of Property. The District will not enter into any agreement or lease which impairs the operation of the Water System or any part thereof necessary to secure adequate Revenues for the payment of the principal of and interest on the 2022B Bonds, or which would otherwise impair the operation of the Water System. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Water System, or any material or equipment which has become worn out, may be sold if such sale will not impair the ability of the District to pay the principal of and interest on the 2022B Bonds and if the proceeds of such sale are deposited in the Revenue Fund.

Notwithstanding the foregoing, the District may sell or transfer assets representing less than 10% of the book value of the assets of the Water System in connection with the transfer of a portion of the District service area to another retail water provider so long as in connection with such sale or

transfer of such assets: (i) the Board of Directors of the District determines that such sale or transfer will not adversely affect the ability of the District to pay the principal of and interest on the 2022B Bonds and all other Debt Service; and (ii) the District delivers to the Trustee a special report of the General Manager to the effect that estimated Net Revenues for the current and two Fiscal Years after the date of such sale or transfer shall produce a sum equal to one hundred fifteen percent (115%) of the estimated Debt Service for each such Fiscal Year.

Nothing herein shall restrict the ability of the District to sell any portion of the Water System if such portion is immediately repurchased by the District and if such arrangement cannot by its terms and does not: (a) result in the purchaser of such portion of the Water System exercising any remedy which would deprive the District of or otherwise interfere with its right to own and operate such portion of the Water System; or (b) impair or otherwise affect the pledge of and first lien on the Revenues and the Revenue Fund.

Section 6.15. Against Competitive Facilities. To the extent that it can so legally obligate itself, the District covenants that it will not acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the District any water system competitive with the Water System.

Section 6.16. Maintenance and Operation of the Water System. The District will maintain and preserve the Water System in good repair and working order at all times and will operate the Water System in an efficient and economical manner and will pay all Operation and Maintenance Costs as they become due and payable.

Section 6.17. Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Revenues or the funds or accounts created hereunder or on any funds in the hands of the District pledged to pay the principal of or interest on the 2022B Bonds or to the Owners prior or superior to the lien under the Indenture.

Section 6.18. Insurance.

(a) The District will procure and maintain or cause to be procured and maintained insurance on the Water System with responsible insurers in such amounts and against such risks (including damage to or destruction of the Water System) as are usually covered in connection with facilities similar to the Water System so long as such insurance is available from reputable insurance companies at commercially reasonable rates.

In the event of any damage to or destruction of the Water System caused by the perils covered by such insurance, the Net Proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Water System. The District shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible and in any event prior to the time that a failure to reconstruct, repair or replace such portions would impair or adversely affect the ability of the District to pay the principal of and interest on the 2022B Bonds, and shall pay out of such Net Proceeds and, if necessary, out of all other funds available to it, all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Water System shall be free and clear of all claims and liens.

If such Net Proceeds exceed the costs of such reconstruction, repair or replacement, then the excess Net Proceeds shall be applied in part to the redemption of 2022B Bonds as provided in Section 4.01(a) and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion which the aggregate unpaid principal balance of 2022B Bonds then bears to the aggregate unpaid principal amount of such Bonds and Contracts. If such Net Proceeds are sufficient to enable the District to retire the entire obligation evidenced hereby prior to the final due date of the 2022B Bonds as well as the entire obligations evidenced by Bonds and Contracts then remaining unpaid prior to their final respective due dates, the District may elect not to reconstruct, repair or replace the damaged or destroyed portion of the Water System, and/or not to construct other additions, betterments, extensions or improvements to the Water System; and thereupon such Net Proceeds shall be applied to the redemption of 2022B Bonds as provided in Section 4.01(a) and to the retirement of such Bonds and Contracts.

(b) Any insurance required to be maintained by paragraph (a) above may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner usually maintained in connection with water systems similar to the Water System and is, in the opinion of an accredited actuary, actuarially sound.

Section 6.19. Payment of Taxes and Compliance with Governmental Regulations. The District will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Water System, or any part thereof or upon the Revenues when the same shall become due. The District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Water System, or any part thereof, but the District shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

Section 6.20. Amount of Rates and Charges. (a) The District shall, to the fullest extent permitted by law, fix and prescribe rates and charges for the Water Service, together with other Revenues, which are reasonably expected, on the first day of each Fiscal Year, to be at least sufficient to yield during such Fiscal Year Net Revenues equal to one hundred fifteen percent (115%) of the Debt Service for 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 shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges are reasonably expected at all times to be sufficient to meet the requirements of this Section.

(b) For avoidance of doubt, so long as the District has complied with its obligations set forth in Section 6.21(a) above, the failure of Net Revenues to meet the threshold set forth in Section 6.21(a) above at the end of a Fiscal Year shall not constitute a default or an Event of Default so long as the District has complied with Section 6.21(a) at the commencement of the succeeding Fiscal Year.

Section 6.21. Collection of Rates and Charges. The District will have in effect at all times by-laws, rules and regulations requiring each customer to pay the rates and charges applicable to the Water Service to such customer and providing for the billing thereof and for a due date and a delinquency date for each bill. In each case where such bill remains unpaid in whole or in part after it becomes delinquent, the District may discontinue such service from the Water System, and such service shall not thereafter be recommenced except in accordance with District by-laws or rules and regulations governing such situations of delinquency.

Section 6.22. Eminent Domain Proceeds. If all or any part of the Water System shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(a) If: (1) the District files with the Trustee a certificate of the General Manager certifying to the following: (i) the estimated loss of annual Net Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings; (ii) a general description of the additions, betterments, extensions or improvements to the Water System proposed to be acquired and constructed by the District from such Net Proceeds; and (iii) an estimate of the additional annual Net Revenues to be derived from such additions, betterments, extensions or improvements; and (2) that the estimated additional annual Net Revenues will sufficiently offset the estimated loss of annual Net Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired (which certification shall be final and conclusive), then the District shall promptly proceed with the acquisition and construction of such additions, betterments, extensions or improvements substantially in accordance with such certificate and such Net Proceeds shall be applied for the payment of the costs of such acquisition and construction, and any balance of such Net Proceeds not required by the District for such purpose shall be deposited in the Revenue Fund.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied in part to the redemption of 2022B Bonds as provided in Section 4.01(a) and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion which the aggregate unpaid principal balance of 2022B Bonds then bears to the aggregate unpaid principal amount of such Bonds and Contracts.

Section 6.23. Enforcement of Contracts. The District will not voluntarily consent to or permit any rescission of, nor will it consent to any amendment to or otherwise take any action under or in connection with any contracts previously or hereafter entered into if such rescission or amendment would in any manner impair or adversely affect the ability of the District to pay principal of and interest on the 2022B Bonds.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF 2022B BOND OWNERS

Section 7.01. Events of Default. The following events shall be Events of Default hereunder:

(a) Default by the District in the due and punctual payment of the principal of any 2022B Bonds, the principal of any Bonds or the principal with respect to any Contract, when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Default by the District in the due and punctual payment of any installment of interest on any 2022B Bonds, any installment of interest on any Bond or any installment of interest with respect to any Contract, when and as the same shall become due and payable.

(c) Default by the District in the observance of any of the other covenants, agreements or conditions on its part in the Indenture or in the 2022B Bonds, or required by any Bond or indenture relating thereto or by any Contract, if such default shall have continued for a

period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the District by the Trustee or by the Owners of not less than a majority in aggregate principal amount of 2022B Bonds Outstanding, a majority in principal amount of such Bond outstanding, or a majority in principal amount outstanding with respect to such Contract, as applicable; provided, however, that if in the reasonable opinion of the District the default stated in the notice can be corrected, but not within such sixty (60) day period and corrective action is instituted by the District within such sixty (60) day period and diligently pursued in good faith until the default is corrected such default shall not be an Event of Default hereunder.

(d) The District shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property.

(e) Payment of the principal of any Bond or with respect to any Contract is accelerated in accordance with its terms.

Section 7.02. Remedies Upon Event of Default. If any Event of Default specified in Section 7.01(d) or (e) shall occur and be continuing, the Trustee shall, and for any other Event of Default, the Trustee may, and, at the written direction of the Owners of not less than a majority in aggregate principal amount of the 2022B Bonds at the time Outstanding, shall, in each case, upon notice in writing to the District, declare the principal of all of the 2022B Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Indenture or in the 2022B Bonds contained to the contrary notwithstanding.

Nothing contained herein shall permit or require the Trustee to accelerate payments due under the Indenture if the District is not in default of its obligation hereunder.

Any such declaration is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the District shall deposit with the Trustee a sum sufficient to pay all the principal of and installments of interest on the 2022B Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective 2022B Bonds to the extent permitted by law, and the reasonable charges and expenses of the Trustee, or shall deposit with the applicable trustee with respect to any Contract a sum sufficient to pay all the principal and installments of interest with respect to such Contract payment of which is overdue, with interest on such overdue principal at the rate borne by such Contract to the extent permitted by law, and the reasonable charges and expenses of the applicable trustee with respect to such Contract, or shall deposit with the applicable trustee with respect to any Bond a sum sufficient to pay all the principal of and installment of interest on such Bond payment of which is overdue, with interest on such overdue principal at the rate borne by such Bonds to the extent permitted by law, and the reasonable charges and expenses of the applicable trustee with respect to such Bonds, and any and all other Events of Default known to the Trustee or the applicable trustee with respect to such Contract or Bonds (other than in the payment of principal

of and interest on the 2022B Bonds, payment of principal and interest with respect to such Contract or payment of principal and interest on such Bond, as applicable, due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case the Trustee shall on behalf of the Owners of all of the 2022B Bonds, rescind and annul such declaration and its consequences and waive such Event of Default; but no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, or shall impair or exhaust any right or power consequent thereon.

Section 7.03. Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Revenues held or thereafter received by the Trustee and any other funds then held or thereafter received by the Trustee under any of the provisions of the Indenture shall be applied in the following order:

(i) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the 2022B Bonds, Contract or Bonds and payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its accountants and counsel) incurred in and about the performance of its powers and duties under the Indenture;

(ii) To the payment of Operation and Maintenance Costs;

(iii) To the payment of the principal of and interest then due on the 2022B Bonds (upon presentation of the 2022B Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid), in accordance with the provisions of the Indenture, the payment of the principal and interest then due with respect to such Contract in accordance with the provisions thereof and the payment of the principal of and interest then due on such Bonds in accordance with the provisions thereof and of any indenture related thereto, in the following order of priority:

First: To the payment to the persons entitled thereto of all installments of interest then due on the 2022B Bonds, with respect to such Contract or on such Bonds, as applicable, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any 2022B Bonds, principal with respect to such Contract (other than Termination Payments) or principal of any Bonds, as applicable, which shall have become due, whether at maturity or by acceleration or redemption, with interest on the overdue principal at the rate of eight percent (8%) per annum, and, if the amount available shall not be sufficient to pay in full all the 2022B Bonds, all amounts due under such Contract or all the Bonds, as applicable, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference; and

Third: to the payment of any Termination Payment and other unpaid amounts due on obligations subordinate hereto; and

Fourth: If there shall exist any remainder after the foregoing payments, such remainder shall be paid to the District.

Section 7.04. Trustee to Represent 2022B Bond Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the 2022B Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney in fact of the Owners of the 2022B Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the 2022B Bonds or the Indenture and applicable provisions of law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the 2022B Bond Owners, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the 2022B Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the 2022B Bonds or the Indenture or any law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under the Indenture, pending such proceedings. All rights of action under the Indenture or the 2022B Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the 2022B Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such 2022B Bonds, subject to the provisions of the Indenture.

Section 7.05. 2022B Bond Owners' Direction of Proceedings. Anything in the Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the 2022B Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction to direct the method of conduct in all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to 2022B Bond Owners not parties to such direction.

Section 7.06. Suit by Owners. No Owner of any 2022B Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture with respect to such 2022B Bonds, unless: (a) such Owners shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of not less than fifty percent (50%) in aggregate principal amount of the 2022B Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have failed to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) no direction inconsistent with such written request shall have been given to the Trustee during such sixty (60) day period by the Owners of a majority in aggregate principal amount of the 2022B Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of 2022B Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of 2022B Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture or the rights of any other Owners of 2022B Bonds, or to enforce any right under the 2022B Bonds, the Indenture, or applicable law with respect to the 2022B Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding 2022B Bonds, subject to the provisions of the Indenture.

Section 7.07. Absolute Obligation of the District. Nothing in this Section 7.07 or in any other provision of the Indenture or in the 2022B Bonds shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the 2022B Bonds to the respective Owners of the 2022B Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the 2022B Bonds.

Section 7.08. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the 2022B Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.09. No Waiver of Default. No delay or omission of the Trustee or of any Owner of the 2022B Bonds to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein.

ARTICLE VIII

THE TRUSTEE

Section 8.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiving of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in the Indenture and no implied covenants or duties shall be read into the Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The District may remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the 2022B Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with

subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and thereupon shall promptly appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the District and by giving the 2022B Bond Owners notice of such resignation by mail at the addresses shown on the Registration Books. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any 2022B Bond Owner (on behalf of himself and all other 2022B Bond Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under the Indenture shall signify its acceptance of such appointment by executing and delivering to the District and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the District or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under the Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the District shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the District shall mail or cause the successor trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which is then rating the 2022B Bonds and to the 2022B Bond Owners at the addresses shown on the Registration Books. If the District fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the District.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a trust company, banking association or bank having the powers of a trust company, having a combined capital and surplus of at least Seventy Five Million Dollars (\$75,000,000), and subject to supervision or examination for federal or state authority. If such bank, banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such trust company, banking association or bank shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in

accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 8.02. Merger or Consolidation. Any trust company, banking association or bank into which the Trustee may be merged or converted or with which it may be consolidated or any trust company, banking association or bank resulting from any merger, conversion or consolidation to which it shall be a party or any trust company, banking association or bank to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such trust company, banking association or bank shall be eligible under subsection (e) of Section 8.01, shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Liability of Trustee.

(a) The recitals of facts herein and in the 2022B Bonds shall be taken as statements of the District, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of the Indenture or the 2022B Bonds, nor shall the Trustee incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the 2022B Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the 2022B Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become the Owner of 2022B Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of 2022B Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the 2022B Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority (or such other percentage provided for herein) in aggregate principal amount of the 2022B Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture.

(e) The Trustee shall not be deemed to have knowledge of any Default or Event of Default hereunder or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder unless and until a Responsible Officer of the Trustee shall have actual knowledge of such event or the Trustee shall have been notified in writing, in accordance with Section 11.07, of such event by the District or the Owners of not less than fifty percent (50%) of the 2022B Bonds then Outstanding. Except as otherwise expressly provided herein,

the Trustee shall not be bound to ascertain or inquire as to the performance or observance by the District of any of the terms, conditions, covenants or agreements herein of any of the documents executed in connection with the 2022B Bonds, or as to the existence of an Event of Default thereunder or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of Default thereunder. The Trustee shall not be responsible for the validity, effectiveness or priority of any collateral given to or held by it.

(f) No provision of the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of any of its rights or powers.

(g) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of Owners pursuant to the Indenture, unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(h) Whether or not herein expressly so provided, every provision of the Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VIII.

(i) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the 2022B Bonds.

(j) The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

(k) The Trustee may execute any of the trusts or powers of the Indenture and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

(l) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, which affect the Trustee's ability to perform its obligations hereunder, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Water System, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(m) The Trustee agrees to accept and act upon instructions or directions pursuant to the Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee 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 District elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(n) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(o) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it hereby at the request, order or direction of any of the Owners pursuant to the provisions hereof unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

(p) The permissive right of the Trustee to do things enumerated herein shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

(q) The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the 2022B Bonds.

Section 8.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion, notes, direction, facsimile transmission, electronic mail 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 Trustee may consult with counsel, who may be counsel of or to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the 2022B Bonds appearing in the Trustee's Registration Books as the absolute owners of the 2022B Bonds for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate, Request or Requisition of the District, and such Certificate, Request or Requisition shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of the Indenture in reliance upon such Certificate, Request or Requisition, but in its discretion the Trustee may, in lieu thereof,

accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 8.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of the Indenture shall be retained in their respective possession in accordance with its record retention policies and shall be subject at all reasonable times to the inspection of the District and any 2022B Bond Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 8.06. Compensation and Indemnification. The District shall pay to the Trustee from time to time all reasonable compensation for all services rendered under the Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Indenture.

The District shall indemnify, defend and hold harmless the Trustee, its officers, employees, directors and agents from and against any loss, costs, claims, liability or expense (including fees and expenses of its attorneys and advisors) incurred without negligence on its part, arising out of or in connection with the execution of the Indenture, acceptance or administration of this trust, including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the District under this Section 8.06 shall survive removal or resignation of the Trustee hereunder or the discharge of the 2022B Bonds and the Indenture.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 9.01. Amendments Permitted.

(a) The Indenture and the rights and obligations of the District and of the Owners of the 2022B Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental thereto, which the District and the Trustee may enter into when the written consent of the Owners of a majority in aggregate principal amount of all 2022B Bonds then Outstanding, exclusive of 2022B Bonds disqualified as provided in Section 11.09 hereof, shall have been filed with the Trustee. No such modification or amendment shall: (1) extend the fixed maturity of any 2022B Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the rate of interest or the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each 2022B Bond so affected; or (2) reduce the aforesaid percentage of 2022B Bonds the consent of the Owners of which is required to affect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture except as permitted herein, or deprive the Owners of the 2022B Bonds of the lien created by the Indenture on such Revenues and other assets except as permitted herein, without the consent of the Owners of all of the 2022B Bonds then Outstanding. It shall not be necessary for the consent of the 2022B Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the District and the Trustee of any Supplemental Indenture pursuant to this subsection (a), the Trustee shall mail a notice, setting forth in general terms the

substance of such Supplemental Indenture, to the Rating Agency and the Owners of the 2022B Bonds at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) The Indenture and the rights and obligations of the District, the Trustee and the Owners of the 2022B Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the District and the Trustee may enter into without the consent of any 2022B Bond Owners, if the Trustee shall receive an opinion of Bond Counsel to the effect that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Owners of the Outstanding 2022B Bonds, including, without limitation, for any one or more of the following purposes:

(1) to add to the covenants and agreements of the District contained in the Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the 2022B Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the District;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the District may deem necessary or desirable;

(3) to modify, amend or supplement the Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereunder in effect, and to add such other terms conditions and provisions as may be permitted by said act or similar federal statute; and

(4) to modify, amend or supplement the Indenture in such manner as to cause interest on the 2022B Bonds to remain excludable from gross income under the Code.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by subsections (a) or (b) of this Section which materially adversely affects the Trustee's own rights, duties or immunities under the Indenture or otherwise.

(d) Prior to the Trustee entering into any Supplemental Indenture hereunder, there shall be delivered to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been adopted in compliance with the requirements of the Indenture and that the adoption of such Supplemental Indenture will not, in and of itself, adversely affect the exclusion of interest on the 2022B Bonds from federal income taxation and from state income taxation.

Section 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the District, the Trustee and all Owners of 2022B Bonds Outstanding shall thereafter be determined, exercised and enforced thereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Section 9.03. Endorsement of 2022B Bonds; Preparation of New 2022B Bonds. 2022B Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the District and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any 2022B Bonds Outstanding at the time of such execution and presentation of his or her 2022B Bonds for the purpose at the Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such 2022B Bonds. If the Supplemental Indenture shall so provide, new 2022B Bonds so modified as to conform, in the opinion of the District and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the District and authenticated by the Trustee, and upon demand on the Owners of any 2022B Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any 2022B Bond Owner, for 2022B Bonds then Outstanding, upon surrender for cancellation of such 2022B Bonds, in equal aggregate principal amount of the same maturity.

Section 9.04. Amendment of Particular 2022B Bonds. The provisions of this Article shall not prevent any 2022B Bond Owner from accepting any amendment as to the particular 2022B Bonds held by him.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Indenture. The 2022B Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

- (a) by paying or causing to be paid the principal of and interest and redemption premiums (if any) on the 2022B Bonds, as and when the same become due and payable;
- (b) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem all 2022B Bonds then Outstanding; or
- (c) by delivering to the Trustee, for cancellation by it, all of the 2022B Bonds then Outstanding.

If the District shall also pay or cause to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (as evidenced by a Certificate of the District, filed with the Trustee, signifying the intention of the District to discharge all such indebtedness and the Indenture), and notwithstanding that any 2022B Bonds shall not have been surrendered for payment, the Indenture and the pledge of Revenues and other assets made under the Indenture and all covenants, agreements and other obligations of the District under the Indenture shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the Written Request of the District, the Trustee shall execute and deliver to the District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver all moneys or securities or other property held by it pursuant to the Indenture which are not required for the payment or redemption of 2022B Bonds not theretofore surrendered for such payment or redemption to the District.

Section 10.02. Discharge of Liability on 2022B Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding 2022B Bonds (whether upon or prior to the maturity or the Redemption Date of such 2022B Bonds), provided that, if such Outstanding 2022B Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Article IV or provisions satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the District in respect of such 2022B Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment, subject however, to the provisions of Section 10.04.

The District may at any time surrender to the Trustee for cancellation by it any 2022B Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such 2022B Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 10.03. Deposit of Money or Securities with Trustee. Whenever in the Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any 2022B Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to the Indenture and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such 2022B Bonds and all unpaid interest thereon to maturity, except that, in the case of 2022B Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Article IV or provisions satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such 2022B Bonds and all unpaid interest and premium, if any, thereon to the Redemption Date; or

(b) Federal Securities the principal of and interest on which when due will, in the written opinion of an Independent Certified Public Accountant or Independent Municipal Consultant filed with the District and the Trustee, provide money sufficient to pay the principal of and all unpaid interest to maturity, or to the Redemption Date (with premium, if any), as the case may be, on the 2022B Bonds to be paid or redeemed, as such principal, interest and premium, if any, become due, provided that in the case of 2022B Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that: (i) the Trustee shall have been irrevocably instructed (by the terms of the Indenture or by Written Request of the District) to apply such money to the payment of such principal, interest and premium, if any, with respect to such 2022B Bonds; and (ii) the District shall have delivered to the Trustee an opinion of Bond Counsel addressed to the District and the Trustee to the effect that such 2022B Bonds have been discharged in accordance with the Indenture (which opinion may rely upon and assume the accuracy of the Independent Certified Public Accountant's or Independent Municipal Consultant's opinion referred to above).

Section 10.04. Payment of 2022B Bonds After Discharge of Indenture. Notwithstanding any provisions of the Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any 2022B Bonds and remaining unclaimed for two (2) years after the principal of

all of the 2022B Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in the Indenture), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if deposited after said date when all of the 2022B Bonds became due and payable, shall be repaid to the District free from the trusts created by the Indenture upon receipt of an indemnification agreement acceptable to the District and the Trustee indemnifying the Trustee with respect to claims of Owners of 2022B Bonds which have not yet been paid, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the District as aforesaid, the Trustee shall at the written direction of the District (at the cost of the District) first mail to the Owners of 2022B Bonds which have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the 2022B Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Liability of District Limited to Revenues. Notwithstanding anything in the Indenture or the 2022B Bonds, but subject to the priority of payment with respect to Operation and Maintenance Costs, the District shall not be required to advance any moneys derived from any source other than the Revenues, the Revenue Fund and other moneys pledged under the Indenture for any of the purposes in the Indenture mentioned, whether for the payment of the principal of or interest on the 2022B Bonds or for any other purpose of the Indenture. Nevertheless, the District may, but shall not be required to, advance for any of the purposes hereof any funds of the District which may be made available to it for such purposes.

The obligation of the District to pay interest and principal on the 2022B Bonds is a special obligation of the District payable solely from the Net Revenues, and does not constitute a debt of the District or of the State of California or of any political subdivision thereof (other than the District) in contravention of any constitutional or statutory debt limitation or restriction.

Section 11.02. Successor Is Deemed Included in All References to Predecessor. Whenever in the Indenture either the District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in the Indenture contained by or on behalf of the District or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.03. Limitation of Rights to Parties and 2022B Bond Owners. Nothing in the Indenture or in the 2022B Bonds expressed or implied is intended or shall be construed to give to any person other than the District, the Trustee and the Owners of the 2022B Bonds, any legal or equitable right, remedy or claim under or in respect of the Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the District, the Trustee and the Owners of the 2022B Bonds.

Section 11.04. Waiver of Notice; Requirement of Mailed Notice. Whenever in the Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such

waiver. Whenever in the Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 11.05. Destruction of 2022B Bonds. Whenever in the Indenture provision is made for the cancellation by the Trustee and the delivery to the District of any 2022B Bonds, the Trustee shall destroy such 2022B Bonds as may be allowed by law, and deliver a certificate of such destruction to the District.

Section 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in the Indenture or in the 2022B Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in the Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of the Indenture, and the Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District hereby declares that it would have entered into the Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the 2022B Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of the Indenture may be held illegal, invalid or unenforceable.

Section 11.07. Notices. Any notice to or demand upon the District or the Trustee shall be deemed to have been sufficiently given or served for all purposes by being sent by facsimile or email or by being deposited, first class mail, postage prepaid, in a post office letter box, addressed, as the case may be, to the District at Sacramento Suburban Water District, 3701 Marconi Avenue, Suite 100, Sacramento, California 95821, Attention: Finance Director (or such other address as may have been filed in writing by the District with the Trustee), or to the Trustee at U.S. Bank Trust Company, National Association, One California Street, Suite 1000, San Francisco, California 94111, Attn: Global Corporate Trust, Reference: Sacramento Suburban Water District, Series 2022B (Taxable). Notwithstanding the foregoing provisions of this Section 11.07, the Trustee shall not be deemed to have received, and shall not be liable for failing to act upon the contents of, any notice unless and until the Trustee actually receives such notice.

Section 11.08. Evidence of Rights of 2022B Bond Owners. Any request, consent or other instrument required or permitted by the Indenture to be signed and executed by 2022B Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such 2022B Bond Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of 2022B Bonds transferable by delivery, shall be sufficient for any purpose of the Indenture and shall be conclusive in favor of the Trustee and the District if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The Ownership of 2022B Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any 2022B Bond shall bind every future Owner of the same 2022B Bond and the Owner of every 2022B Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the District in accordance therewith or reliance thereon.

Section 11.09. Disqualified 2022B Bonds. In determining whether the Owners of the requisite aggregate principal amount of 2022B Bonds have concurred in any demand, request, direction, consent or waiver under the Indenture, 2022B Bonds which are known by the Trustee to be owned or held by or for the account of the District, or by any other obligor on the 2022B Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the District or any other obligor on the 2022B Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. 2022B Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such 2022B Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the District or any other obligor on the 2022B Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request, the District shall certify to the Trustee those 2022B Bonds that are disqualified pursuant to this Section 11.09 and the Trustee may conclusively rely on such certificate.

Section 11.10. Money Held for Particular 2022B Bonds. The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular 2022B Bonds (or portions of 2022B Bonds in the case of registered 2022B Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the 2022B Bonds entitled thereto, subject, however, to the provisions of Section 10.04 hereof but without any liability for interest thereon.

Section 11.11. Funds and Accounts. Any fund or account required by the Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with corporate trust industry standards to the extent practicable, and with due regard for the requirements of Section 6.05(a) and for the protection of the security of the 2022B Bonds and the rights of every Owner thereof.

Section 11.12. Waiver of Personal Liability. No member, officer, agent, employee, consultant or attorney of the District shall be individually or personally liable for the payment of the principal of or premium or interest on the 2022B Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent, employee, consultant or attorney from the performance of any official duty provided by law or by the Indenture.

Section 11.13. Execution in Several Counterparts. The Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the District and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.14. CUSIP Numbers. Neither the Trustee nor the District shall be liable for any defect or inaccuracy in the CUSIP number that appears on any 2022B Bond or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the 2022B Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the 2022B Bondholders and that neither the District nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 11.15. Choice of Law. THE INDENTURE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

Section 11.16. Paired Obligation Provider Guidelines. For purposes of Sections 6.14 and 6.21, Paired Obligations shall comply with the following conditions:

(a) A Paired Obligation Provider shall initially have a long-term rating of A- or better by S&P and A3 or better by Moody's.

(b) So long as the long-term rating of the Paired Obligation Provider is not reduced below Baa2 by S&P or BBB by Moody's, the interest rate of such Paired Obligation shall be deemed to be equal to the fixed interest rate attributable thereto for purposes of Sections 6.14 and 6.21.

(c) In the event that a Paired Obligation Provider does not maintain the Minimum Rating Requirement and the District does not replace such Paired Obligation Provider with another Paired Obligation Provider which maintains the Initial Rating Requirement within ten (10) Business Days of notice that the Paired Obligation Provider has not maintained the Minimum Rating Requirement, interest with respect to such Paired Obligations shall be computed for purposes of Sections 6.14 and 6.21 without regard to payments to be received from the Paired Obligation Provider.

IN WITNESS WHEREOF, the District has caused the Indenture to be signed in its name by its President, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused the Indenture to be signed in its corporate name by its officers thereunto duly authorized, all as of the day and year first above written.

SACRAMENTO SUBURBAN WATER DISTRICT

By: _____
Its: President, Board of Directors

Attest:

Secretary of the Board of Directors

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee

By: _____
Its: Authorized Officer

EXHIBIT A

FORM OF 2022B BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

SACRAMENTO SUBURBAN WATER DISTRICT
REFUNDING REVENUE BONDS, SERIES 2022B (TAXABLE)

INTEREST RATE	MATURITY DATE	ORIGINAL ISSUE DATE	CUSIP
_____ %	November 1, 20__	_____, 2022	78607Q__

REGISTERED OWNER CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The SACRAMENTO SUBURBAN WATER DISTRICT, a county water district duly organized and existing under the laws of the State of California (the "District"), for value received, hereby promises to pay to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this 2022B Bond, as such term is defined below (unless: (i) this 2022B Bond is authenticated after the fifteenth day of the calendar month preceding an interest payment date, whether or not such day is a business day, and on or before the following interest payment date, in which event it shall bear interest from such interest payment date; or (ii) this 2022B Bond is authenticated on or before October 15, 2022, in which event it shall bear interest from the Original Issue Date identified above; provided, however, that if as of the date of authentication of this 2022B Bond, interest is in default on this 2022B Bond, this 2022B Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this 2022B Bond), at the Interest Rate per annum specified above, payable semiannually on November 1, 2022 and each May 1 and November 1 thereafter, calculated on the basis of a 360 day year composed of twelve 30 day months. Principal hereof and premium, if any, upon early

redemption hereof are payable by check of the Trustee upon presentation and surrender hereof at the Office of the Trustee (as defined in the hereinafter described Indenture) of U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Interest hereon is payable by check of the Trustee sent by first class mail on the applicable interest payment date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Trustee as of the close of business on the fifteenth day of the month preceding each interest payment date (except that in the case of a registered owner of one million dollars (\$1,000,000) or more in principal amount, such payment may, at such registered owner's option, be made by wire transfer of immediately available funds to an account in the United States in accordance with written instructions provided to the Trustee by such registered owner prior to the fifteenth (15th) day of the month preceding such interest payment date).

This 2022B Bond is not a debt of the State of California, or any of its political subdivisions (other than the District), and neither the State, nor any of its political subdivisions (other than the District), is liable hereon, nor in any event shall this 2022B Bond be payable out of any funds or properties of the District other than the Net Revenues (as such term is defined in the Indenture of Trust, dated as of March 1, 2022 (the "Indenture"), by and between the District and the Trustee) and other moneys pledged therefor under the Indenture. The obligation of the District to make payments in accordance with the Indenture is a limited obligation of the District as set forth in the Indenture and the District shall have no liability or obligation in connection herewith except with respect to such payments to be made pursuant to the Indenture. The 2022B Bonds do not constitute an indebtedness of the District in contravention of any constitutional or statutory debt limitation or restriction.

This 2022B Bond is one of a duly authorized issue of bonds of the District designated as the "Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022B (Taxable)" (the "2022B Bonds"), of an aggregate principal amount _____ Dollars (\$ _____), all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers or interest rates) and all issued pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, including but not limited to Section 53583, and pursuant to the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the District) and all supplements thereto for a description of the terms on which the 2022B Bonds are issued, the provisions with regard to the nature and extent of the Net Revenues, and the rights thereunder of the Owners of the 2022B Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the District hereunder, to all of the provisions of which the Registered Owner of this 2022B Bond, by acceptance hereof, assents and agrees. The 2022B Bonds have been issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof.

The 2022B Bonds have been issued by the District to refund certain obligations of the District, as more fully described in the Indenture.

This 2022B Bond and the interest, premium, if any, hereon and all other 2022B Bonds and the interest and premium, if any, thereon (to the extent set forth in the Indenture) are special obligations of the District, secured by a pledge and lien on the Revenues and any other amounts on deposit in certain funds and accounts created under the Indenture, and payable from the Net Revenues. As and to the extent set forth in the Indenture, all of the Revenues are irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest and premium (if any) on the 2022B Bonds. The District may issue Bonds or

incur Contracts secured by a pledge of Revenues, and payable from Net Revenues, on a parity with the 2022B Bonds, as provided in the Indenture.

The Indenture and the rights and obligations of the District and the Owners of the 2022B Bonds and the Trustee may be modified or amended from time to time and at any time with the written consent of the Owners of a majority in aggregate principal amount of all 2022B Bonds then Outstanding, exclusive of 2022B Bonds disqualified as set forth in the Indenture, in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall: (i) extend the fixed maturity of any 2022B Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the owner of each 2022B Bond so affected; or (ii) reduce the aforesaid percentage of 2022B Bonds the consent of the Owners of which is required to affect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture except as permitted in the Indenture, or deprive the Owners of the 2022B Bonds of the lien created by the Indenture on such Revenues and other assets, except as expressly provided in the Indenture, without the consent of the Owners of all of the 2022B Bonds then Outstanding.

The Indenture and the rights and obligations of the District, of the Trustee and the Owners of the 2022B Bonds may also be modified or amended for certain purposes described more fully in the Indenture at any time in the manner, to the extent and upon the terms provided in the Indenture by a supplemental indenture, which the District and the Trustee may enter into without the consent of any 2022B Bond Owners, if the Trustee shall receive an opinion of 2022B Bond Counsel to the effect that the provisions of such supplemental indenture will not materially adversely affect the interests of the Owners of the Outstanding 2022B Bonds.

The 2022B Bonds are subject to extraordinary redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity and within maturities as directed by the District in a Written Request provided to the Trustee at least 60 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000 from Net Proceeds, upon the terms and conditions of, and as provided for in, the Indenture at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

The 2022B Bonds with stated maturities on or after November 1, 20__ are subject to redemption prior to their respective stated maturities, as a whole or in part on any date as in the order of maturity as directed by the District in a Written Request provided to the Trustee at least 60 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000, on or after May 1, 20__, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

The 2022B Bonds shall be subject to redemption prior to [November] 1, 20__ at the option of the District, as a whole or in part on any Business Day in the order of maturity as directed by the District in a Written Request provided to the Trustee at least 30 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000, at the

“Make-Whole Redemption Price.” The “Make-Whole Redemption Price,” as determined by the District, is the greater of (1) 100% of the principal amount of the 2022B Bonds to be redeemed; or (2) the sum of the present value of the remaining scheduled payments of principal of and interest to the maturity date on the 2022B Bonds to be redeemed, not including any portion of those payments of interest thereon accrued and unpaid as of the date on which the 2022B Bonds are to be redeemed, discounted to the date on which the 2022B Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus: (i) __ basis points with respect to the 2022B Bonds maturing on November 1, 20__ through November 1, 20__, inclusive; and (ii) __ basis points with respect to the 2022B Bonds maturing on November 1, 20__ through November 1, 20__, inclusive; plus, in each case, accrued and unpaid interest on the 2022B Bonds to be redeemed on the date of redemption.

As provided in the Indenture, notice of redemption shall be mailed by the Trustee by first class mail at least 20 days but not more than 60 days prior to the Redemption Date to the respective Owners of any 2022B Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, but neither the failure to receive such notice nor any defect in the notice or the mailing thereof shall affect the validity of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption.

If this 2022B Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all of the 2022B Bonds and the interest accrued thereon may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This 2022B Bond is transferable by the Registered Owner hereof, in person or by his or her duly authorized attorney in writing, at said office of the Trustee but only in the manner subject to the limitations and upon payment of the taxes and charges provided in the Indenture and upon surrender and cancellation of this 2022B Bond. Upon registration of such transfer, a new 2022B Bond or 2022B Bonds of the same series, of authorized denomination or denominations, for the same aggregate principal amount of the same maturity will be issued to the transferee in exchange therefor.

2022B Bonds may be exchanged at said office of the Trustee for a like aggregate principal amount of 2022B Bonds of other authorized denominations of the same series and same maturity, but only in the manner, subject to the limitations and upon payment of the taxes and charges provided in the Indenture.

The Trustee shall not be required to register the transfer or exchange of any 2022B Bond during the period in which the Trustee is selecting 2022B Bonds for redemption or any 2022B Bond that has been selected for redemption.

The District and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the District and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this 2022B Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Indenture and the laws of the State of California and that the amount of this 2022B Bond, together with all other indebtedness of the District, does not exceed any limit under any laws of the State of California, and is not in excess of the amount of 2022B Bonds permitted to be issued under the Indenture.

This 2022B Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the District has caused this 2022B Bond to be executed in its name and on its behalf with the manual or facsimile signature of its President as of this ___th day of _____, 2022.

SACRAMENTO SUBURBAN WATER DISTRICT

By: _____
Its: President, Board of Directors

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
TO APPEAR ON 2022B BONDS]

This is one of the 2022B Bonds described in the within-mentioned Indenture.

Dated: _____, 2022

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee

By: _____
Its: Authorized Signatory

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto

(Name, Address and Tax Identification or
Social Security Number of Assignee)

the within registered 2022B Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within 2022B Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

EXHIBIT C
2022A PURCHASE CONTRACT

PURCHASE CONTRACT

\$ _____
SACRAMENTO SUBURBAN WATER DISTRICT
REFUNDING REVENUE BONDS, SERIES 2022A

_____, 2022

Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Ladies and Gentlemen:

Citigroup Global Markets Inc., acting on behalf of itself and not as an agent or representative of you (the “Underwriter”), offers to enter into this purchase contract (the “Purchase Contract”) with the Sacramento Suburban Water District (the “District”), which will be binding upon the District and the Underwriter upon the acceptance hereof by the District. This offer is made subject to its acceptance by the District by execution of this Purchase Contract and its delivery to the Underwriter, on or before 8:00 p.m., California time, on the date hereof. All terms used herein and not otherwise defined shall have the meanings given to such terms in the Official Statement (as hereafter defined).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase, and the District hereby agrees to cause to be delivered to the Underwriter, all (but not less than all) of \$ _____ aggregate principal amount of the Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022A (the “Series 2022A Bonds”). The Series 2022A Bonds will mature in the amounts and on the dates and bear interest at the rates set forth on Appendix A hereto. The Underwriter will purchase the Series 2022A Bonds for the aggregate purchase price of \$ _____ (representing the aggregate principal amount of the Series 2022A Bonds plus original issue premium of \$ _____, less an underwriting discount of \$ _____).

2. Description and Purpose of the Series 2022A Bonds. The Series 2022A Bonds shall be issued pursuant to an Indenture of Trust dated as of March 1, 2022 (the “Indenture”) by and between the District and U.S. Bank Trust Company, National Association, as trustee (“U.S. Bank”). The Series 2022A Bonds are limited obligations of the District and are payable solely from Net Revenues and from certain other amounts on deposit in funds and accounts under the Indenture. The Series 2022A Bonds shall be as described in the Indenture and the Official Statement dated _____, 2022, relating to the Series 2022A Bonds and the Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022B (the “Series 2022B Bonds”)(which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriter, is hereinafter called the “Official Statement”).

The Series 2022A Bonds are being issued to (i) prepay the District’s Adjustable Rate Refunding Revenue Certificates of Participation, Series 2009A (the “Refunded Obligations”) and (ii) pay the costs of issuing the Series 2022A Bonds.

3. Public Offering. The Underwriter agrees to make an initial bona fide public offering of all the Series 2022A Bonds at the public offering prices set forth on the inside cover page of the Official Statement. Subsequent to the initial public offering, the Underwriter reserves the right to change the initial public offering prices (subject in all cases to Section 4) as the Underwriter shall deem necessary in connection with the marketing of the Series 2022A Bonds, provided that the Underwriter shall not change the interest rates set forth on Appendix A hereto. The Underwriter may offer and sell the Series 2022A Bonds to certain dealers (including dealers depositing the Series 2022A Bonds into investment trusts) and others at prices lower than initial public offering prices. The Underwriter also reserves the right (i) to engage in transactions that stabilize, maintain or otherwise affect the market price of the Series 2022A Bonds at a level above that which might otherwise prevail in the open market and (ii) to discontinue such transactions, if commenced, at any time.

4. Establishment of Issue Price.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Series 2022A Bonds and shall execute and deliver to the District at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A-1 or Exhibit A-2, as applicable, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2022A Bonds. All actions to be taken by the District under this section to establish the issue price of the Series 2022A Bonds may be taken on behalf of the District by the District’s municipal advisor identified herein and any notice or report to be provided to the District may be provided to the District’s municipal advisor.

(b) Except as otherwise set forth in Appendix A attached hereto, the District will treat the first price at which 10% of each maturity of the Series 2022A Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the District the price or prices at which the Underwriter has sold to the public each maturity of Series 2022A Bonds. For purposes of this Section, if the Series 2022A Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2022A Bonds.

(c) The Underwriter confirms that it has offered the Series 2022A Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Appendix A attached hereto, except as otherwise set forth therein. Appendix A also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Series 2022A Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2022A Bonds, the Underwriter will neither offer nor sell unsold Series 2022A Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or

- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2022A Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the District promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Series 2022A Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Underwriter is a party) relating to the initial sale of the Series 2022A Bonds to the public, together with the related pricing wires, contains or will contain language obligating the Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Series 2022A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Series 2022A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter and as set forth in the related pricing wires, and

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2022A Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Underwriter shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2022A Bonds to the public, together with the related pricing wires, contains or will contain language obligating the Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2022A Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2022A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2022A Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Series 2022A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The District acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Series 2022A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2022A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022A Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2022A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2022A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022A Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2022A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022A Bonds.

(f) The Underwriter acknowledges that sales of any Series 2022A Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2022A Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2022A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2022A Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2022A Bonds to the public),

(iii) a purchaser of any of the Series 2022A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Purchase Contract by all parties.

5. Delivery of Official Statement. Pursuant to the authorization of the District, the Underwriter has distributed copies of the Preliminary Official Statement dated _____, 2022, relating to the Series 2022A Bonds and Series 2022B Bonds, which, together with the cover page and

appendices thereto, is hereinafter called the “Preliminary Official Statement.” By its execution of this Purchase Contract, the District hereby approves and ratifies the distribution and use by the Underwriter of the Preliminary Official Statement. The District agrees to execute and deliver a final Official Statement in substantially the same form as the Preliminary Official Statement with such changes as may be made thereto with the consent of the District and the Underwriter, as appropriate, and to provide copies thereof to the Underwriter as set forth in Section 8(e)(xii) hereof. The District hereby authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Series 2022A Bonds: the Preliminary Official Statement, the Official Statement, the Indenture, the Continuing Disclosure Certificate (as hereinafter defined), and other documents or contracts to which the District is a party in connection with the transactions contemplated by this Purchase Contract, including this Purchase Contract and all information contained herein, and all other documents, certificates and statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

6. The Closing. At 8:00 a.m., California time, on _____, 2022, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the District and the Underwriter (the “Closing Date”), the District will cause to be executed and delivered (i) the Series 2022A Bonds in book-entry form through the facilities of The Depository Trust Company, or its agent, on behalf of the Underwriter, and (ii) the closing documents hereinafter mentioned at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”) in Sacramento, California or another place to be mutually agreed upon by the District and the Underwriter. The Underwriter will accept such delivery of the Series 2022A Bonds and pay the purchase price of such Series 2022A Bonds as set forth in Section 1 hereof in immediately available funds to the order of the District. This payment for and delivery of the Series 2022A Bonds, together with the execution and delivery of the aforementioned documents, is herein called the “Closing.”

7. District Representations, Warranties and Covenants. The District represents, warrants and covenants to the Underwriter that:

(i) Due Organization, Existence and District. The District is a county water district duly organized and existing under the Constitution and laws of the State of California (the “State”), with full right, power and authority to execute, deliver and perform its obligations under this Purchase Contract, the Indenture, and the Continuing Disclosure Certificate (collectively, the “District Documents”) and to carry out and consummate the transactions contemplated by the District Documents and the Official Statement.

(ii) Due Authorization and Approval. By all necessary official action of the District prior to or concurrently with the acceptance hereof, the District has duly authorized and approved the execution, delivery and performance by the District of the obligations in connection with the issuance of the Series 2022A Bonds on its part contained in the District Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded, and when executed and delivered, each District Document and the Series 2022A Bonds will constitute the legally valid and binding obligation of the District enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws or equitable principles relating to or affecting creditors’ rights generally or by the exercise of judicial discretion in appropriate cases or by limitations on legal remedies

against public agencies in the State and the District is and will be on the Closing Date in compliance with the provisions of the District Documents.

(iii) Official Statement Accurate and Complete. The Preliminary Official Statement was as of its date, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement contain, and up to and including the Closing, will contain no misstatement of any material fact and do not, and up to and including the Closing, will not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (except no representation is made with respect to information relating to DTC or DTC's book-entry system).

(iv) Underwriter's Consent to Amendments and Supplements to the Official Statement. The District will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The District will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Series 2022A Bonds.

(v) District Agreement to Amend or Supplement the Official Statement. If after the date of this Purchase Contract and until 25 days after the end of the "underwriting period" (as defined in Section 240 15c2-12 in Chapter II of Title 17 of the Code of Federal Regulations ("Rule 15c2-12")), any event occurs as a result of which the Official Statement as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and, in the reasonable opinion of the Underwriter, an amended or supplemented Official Statement should be delivered in connection with the offers or sales of the Series 2022A Bonds to reflect such event, the District promptly will prepare at its expense an amendment or supplement which will correct such statement or omission and the District shall promptly furnish to the Underwriter a reasonable number of copies of such amendment or supplement. The Underwriter hereby agrees to deposit the Official Statement with the Municipal Securities Rulemaking Board (the "MSRB"). The Underwriter acknowledges that the end of the "underwriting period" will be the date of Closing.

(vi) No Material Change in Finances. Except as otherwise described in the Official Statement, there shall not have been any material adverse changes in the financial condition of the District since the end of the fiscal year of the District's most recent audited financial report.

(vii) No Breach or Default. The District is not in default, nor has it been in default, as to principal or interest with respect to an obligation issued or incurred by the District, and the District is not, in any manner which would materially adversely affect the transactions contemplated hereby and by the District Documents, in breach

of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or under the District Documents or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would materially adversely affect the transactions contemplated by the District Documents, a default or event of default under any such instrument; and the authorization, execution and delivery of the District Documents and compliance with the provisions of each of such agreements or instruments do not in any manner which would materially adversely affect the transactions contemplated by the District Documents, conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the District Documents.

(viii) No Litigation. No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, except as disclosed in the Official Statement, to the best knowledge of the District after due investigation, threatened (i) in any way questioning the corporate existence of the District or the titles of the officers of the District to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance of any of the Series 2022A Bonds, or in any way contesting or affecting the validity of the Series 2022A Bonds or the District Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Series 2022A Bonds from gross income for federal income tax purposes or contesting the powers of the District to enter into the District Documents; or (iii) which may result in any material adverse change to the financial condition of the District or to its ability to pay principal of or interest on the Series 2022A Bonds when due, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iii) of this sentence.

(ix) Prior Liens on Net Revenues. The District does not and will not, as of the date of Closing, have outstanding any other indebtedness which indebtedness is secured by a lien on the Revenues superior to the lien of the Series 2022A Bonds on the Revenues. Other than payments of principal of and interest on the Series 2012A Bonds and Series 2018A Bonds, certain payments in connection with the Interest Rate Swap Agreement, and certain payments under the Sumitomo Credit Facility Agreement, the District does not and, other than the Series 2018A Bonds and the Series 2012A Bonds maturing on November 1, 2022, will not, as of the date of Closing, have outstanding any other indebtedness which indebtedness is payable from the Net Revenues on a parity with the lien of the Series 2022A Bonds on the Net Revenues.

(x) Further Cooperation: Blue Sky. The District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (A) to qualify the Series 2022A Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (B) to determine the eligibility of the Series 2022A Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Series 2022A Bonds; provided, however, that the District shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(xi) Consents and Approvals. Except as may be described in the Preliminary Official Statement and the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the District of its obligations in connection with, the District Documents or the refunding of the Refunded Obligations have been duly obtained or made, except as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2022A Bonds.

(xii) No Other Obligations. Between the date of this Purchase Contract and the date of Closing and except as otherwise disclosed in the Official Statement, the District will not, without the prior written consent of the Underwriter, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, directly or contingently payable from the Net Revenues.

(xiii) Certificates. Any certificate signed by any official of the District and delivered to the Underwriter shall be deemed to be a representation and warranty by the District to the Underwriter as to the statements made therein.

(xiv) Compliance with Rule 15c2-12. The Preliminary Official Statement heretofore delivered to the Underwriter has been deemed final by the District as of the date of the Preliminary Official Statement, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(i) of Rule 15c2-12. The District hereby covenants and agrees that, within two business days from the date hereof, it shall cause a final form of the Official Statement to be delivered to the Underwriter in sufficient quantity to comply with paragraph (b)(4) of Rule 15c2-12 and Rules of the MSRB.

(xv) Continuing Disclosure. Other than as disclosed in the Official Statement, during the past five years, the District has not failed to comply in any material respect with any continuing disclosure undertaking previously entered into by the District pursuant to Rule 15c2-12 of the Securities and Exchange Commission. The District will undertake, pursuant to a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), to provide annual reports and notices of certain

events in accordance with the requirements of Rule 15c2-12. A form of the Continuing Disclosure Certificate is set forth in Appendix G to the Official Statement.

8. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the District contained herein and in the District Documents and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the District of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Purchase Contract are and shall be subject to the following additional conditions:

(a) Bring-Down Representation. The representations, warranties and covenants of the District contained herein, shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing (i) the District Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Underwriter, (ii) there shall be in full force and effect such resolutions (the "Resolutions") as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Official Statement and the District Documents, (iii) the District shall perform or have performed its obligations required or specified in the District Documents to be performed at or prior to Closing, and (iv) the Official Statement shall not have been supplemented or amended, except pursuant to Sections 7(iv) or 7(v) hereof or as otherwise may have been agreed to in writing by the Underwriter.

(c) No Default. At the time of the Closing, no default, or any event that with the passage of time would be reasonably likely to result in default, shall have occurred or be existing under the Resolutions, the District Documents, or any other agreement or document pursuant to which any of the District's financial obligations were issued and the District shall not be in default in the payment of principal or interest on any of its financial obligations which default would materially adversely impact the ability of the District to make debt service payments on the Series 2022A Bonds.

(d) Termination Events. The Underwriter shall have the right to terminate this Purchase Contract, without liability therefor, by written notification to the District if at any time at or prior to the Closing:

(i) any event shall occur which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(ii) Between the date hereof and the Closing Date, the market price or marketability, or the ability of the Underwriter to enforce contracts for the sale, at the initial offering price set forth in the Official Statement, of the Series 2022A Bonds shall not have been materially adversely affected in the reasonable judgment of the Underwriter (evidenced by a written notice to the District terminating the obligation of

the Underwriter to accept delivery of and make any payment for the Series 2022A Bonds) by reason of any of the following:

(A) an amendment to the Constitution of the United States or the State shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter, or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of California or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made, or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State authority with respect to federal or State taxation upon revenues or other income of the general character to be derived by the District or upon interest received on obligations of the general character of the Series 2022A Bonds that, in the reasonable judgment of the Underwriter, materially and adversely affects the tax status of the District, its property or income, its securities (including the Series 2022A Bonds) or the interest thereon, or any tax exemption granted or authorized by State legislation;

(B) legislation enacted, introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and Exchange Commission or by any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that obligations of the general character of the Series 2022A Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended;

(C) there shall have occurred any new outbreak or escalation of hostilities, declaration by the United States of or any escalation of a national emergency or war or other calamity or crisis in financial markets;

(D) the declaration of a general banking moratorium by federal, New York or California authorities, or a major financial crisis or a material disruption in commercial banking or securities settlement, payment or clearances services shall have occurred or the general suspension of trading on any national securities exchange;

(E) the imposition by the New York Stock Exchange or other national securities exchange or any governmental authority of any material restrictions not now in force with respect to the Series 2022A Bonds or obligations of the general character of the Series 2022A Bonds or securities generally or the material increase of any such restrictions now in force, including those relating to the extension of credit by or the charge to the net capital requirements of, the Underwriter;

(F) an order, decree or injunction of any court of competent jurisdiction or order, ruling, regulation or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Series 2022A Bonds or the issuance, offering or sale of the Series 2022A Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(G) the withdrawal or downgrading of any rating of the Series 2022A Bonds or other debt securities of the District by S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P"), or any formal statement shall be published, such as being placed on "credit watch" with negative implications or "negative outlook" or similar qualification, with respect to the Series 2022A Bonds or other debt securities of the District;

(H) any event occurring, or information becoming known that, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(I) any litigation or proceedings shall be pending or threatened contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto or asserting that the Official Statement contained any untrue statement of material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which there were made, not misleading.

(e) Closing Documents. At or prior to the Closing, the Underwriter shall receive with respect to the Series 2022A Bonds the following documents:

(i) Bond Opinion. An approving opinion of Bond Counsel dated the date of the Closing and substantially in the form included as Appendix D to the Official Statement, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriter, to the effect that the foregoing opinion addressed to the District may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it.

(ii) Supplemental Opinion. A supplemental opinion of Bond Counsel addressed to the Underwriter, substantially in the form attached hereto as Exhibit B.

(iii) District Counsel Opinion. An opinion of Bartkiewicz, Kronick & Shanahan, general counsel to the District, dated the date of the Closing and addressed to the Underwriter, in substantially the form attached hereto as Exhibit C.

(iv) Negative Assurance Letter. A negative assurance letter of Stradling Yocca Carlson & Rauth, a Professional Corporation, disclosure counsel (“Disclosure Counsel”) dated the Closing Date and addressed to the Underwriter, substantially in the form attached hereto as Exhibit D.

(v) Defeasance Opinion. A defeasance opinion of Bond Counsel dated the date of the Closing addressed to the Underwriter, substantially in the form attached hereto as Exhibit E.

(vi) U.S. Bank’s Counsel Opinion. The opinion of counsel to U.S. Bank, dated the date of the Closing, addressed to the District and the Underwriter, to the effect that:

(A) U.S. Bank is a national banking association, duly organized and validly existing under and by virtue of the laws of the United States of America, having full power and authority to authenticate and deliver the Series 2022A Bonds and to enter into, accept and administer the trust and duties created under the Indenture and enter into the Indenture;

(B) the Trustee has duly authenticated and delivered the Series 2022A Bonds in accordance with the Indenture and the order of the District;

(C) the Trustee has duly authorized, executed and delivered the Indenture and the Indenture constitutes the legal, valid and binding obligations of the Trustee, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting the rights of creditors generally;

(D) except as may be required under any federal or state securities laws or regulations in connection with the initial purchase and distribution of the Series 2022A Bonds, no consent, approval, authorization or other action by

any governmental or regulatory authority having jurisdiction over the Trustee is or will be required for the valid execution and delivery by the Trustee of the Indenture; and

(E) the Trustee's actions in executing and delivering the Indenture are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound.

(vii) Underwriter's Counsel Opinion. A letter from Gilmore & Bell P.C., counsel to the Underwriter ("Underwriter's Counsel"), dated the date of Closing and addressed to the Underwriter to the effect that:

(A) Such counsel is of the opinion that the Series 2022A Bonds are exempt from registration pursuant to the Securities Act and the Indenture is issued are exempt from qualification pursuant to the Trust Indenture Act;

(B) Such counsel is of the opinion, assuming the due and valid authorization, execution and delivery of the Continuing Disclosure Certificate by, and the validity of the Continuing Disclosure Certificate with respect to, the District, the Continuing Disclosure Certificate complies with paragraph (b)(5) of the Rule; and

(C) subject to the limitations expressed in the letter, as of the Closing Date such firm had no reason to believe that the Preliminary Official Statement as of its date and as of date of the Purchase Contract, or the Official Statement as of its date and as of the Closing (except for (a) with respect to the Preliminary Official Statement, any information marked as preliminary, subject to change, any permitted omissions allowed pursuant to Rule 15c2-12 of the Securities and Exchange Commission), and (b) with respect to both the Preliminary Official Statement and the Official Statement, (i) any CUSIP numbers or other identification numbers; (ii) any financial statements contained in the Preliminary Official Statement or the Official Statement (including the basic financial statements, the letter of transmittal, the management's discussion and analysis, the required supplementary information, the statistical section and any other any component of the audit report of the District); (iii) any financial, demographic, statistical or economic data, estimates, projections, numbers, assumptions, charts, graphs, tables, or expressions of opinion contained in the Preliminary Official Statement or the Official Statement; and (iv) information relating to the book-entry-only system, including information in Appendix F – "INFORMATION CONCERNING DTC;" as to all of which such firm expresses no opinion) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(viii) District Certificate. A certificate of the District, dated the date of the Closing, signed on behalf of the District by the General Manager or other duly authorized officer of the District to the effect that:

(A) The representations, warranties and covenants of the District contained in the Purchase Contract are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing and the District has complied with all of, the terms and conditions of the Purchase Contract required to be complied with by the District at or prior to the date of the closing;

(B) No event affecting the District has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading (except no representation is made with respect to information relating to DTC or DTC's book-entry system); and

(C) No event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute an event of default under the District Documents.

(ix) Certificate of U.S. Bank. A certificate, dated the date of Closing, signed by a duly authorized official of U.S. Bank satisfactory in form and substance to the Underwriter, to the effect that:

(A) U.S. Bank is a national banking association, duly organized and validly existing under the laws of the United States of America, and has full power and authority to accept and administer the trust created under the Indenture and to enter into the Indenture;

(B) U.S. Bank has duly authenticated and delivered the Series 2022A Bonds in accordance with the Indenture and the order of the District;

(C) U.S. Bank has duly authorized, executed and delivered the Indenture and the Indenture constitutes the legal, valid and binding obligations of the Trustee, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting the rights of creditors generally;

(D) except as may be required under any federal or state securities laws or regulations in connection with the initial purchase and distribution of the Series 2022A Bonds, no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over U.S. Bank is or will be required for the valid execution and delivery by U.S. Bank of the Indenture; and

(E) U.S. Bank's actions in executing and delivering the Indenture are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound.

(x) Evidence of Termination of the Swap Agreement. Evidence of the termination of the International Swaps and Derivatives Association, Inc., Master Agreement, dated April 11, 2012, by and between Wells Fargo Bank, N.A. and the District, together with the related schedule and annex.

(xi) Transcripts. Two transcripts of all proceedings relating to the authorization and issuance of the Series 2022A Bonds.

(xii) Official Statement. The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the District by duly authorized officers thereof.

(xiii) Documents. An original executed copy of each of the District Documents.

(xiv) District Resolution. A certified copy of each District Resolution, certified by the Secretary or Assistant Secretary of the District.

(xv) Resolution of U.S. Bank. A certified copy of the general resolution of U.S. Bank authorizing the execution and delivery of certain documents by certain officers and employees of U.S. Bank, which resolution authorizes the execution and delivery of the Indenture by Trustee.

(xvi) 15c2-12 Certificate of the District. A Certificate of the District "deeming final" the Preliminary Official Statement for purposes of Rule 15c2-12.

(xvii) CDIAC Statements. A copy of Notices of Sale required to be delivered to the California Debt Investment Advisory Commission pursuant to Sections 8855(g) and 53583 of the California Government Code.

(xviii) Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared for filing.

(xix) Tax Certificate. A tax certificate in form satisfactory to Bond Counsel and the Underwriter.

(xx) Rating. Evidence from S&P that the Series 2022A Bonds have been assigned a rating of "___".

(xxi) Parity Certificate. A certificate of the District, dated the Closing Date, signed on behalf of the District by the General Manager, or other duly authorized officer of the District, together with any special report prepared by an Independent

Certified Public Accountant or an Independent Financial Consultant, substantially in the forms attached hereto as Exhibit F.

(xxii) Additional Documents. Such additional certificates, instruments and other documents as the Underwriter may reasonably deem necessary.

If the District shall be unable to satisfy the conditions contained in this Purchase Contract, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the District shall be under further obligation hereunder, except as further set forth in Section 9 hereof.

9. Expenses. (a) The Underwriter shall be under no obligation to pay, and the District shall pay, any expenses incident to the performance of the District's obligations hereunder, including but not limited to: (i) the cost of preparation, printing and distribution of the District Documents, the Preliminary Official Statement, the Official Statement and any supplements or amendments thereto; (ii) the cost of preparing and printing the Series 2022A Bonds; (iii) the fees and disbursements of Bond Counsel (including the cost of preparation of this Purchase Contract), Disclosure Counsel and the fees and expenses of general counsel to the District; (iv) the fees and disbursements of any engineers, accountants and other experts, consultants or advisors retained by the District; (v) fees for municipal bond ratings; (vi) Trustee fees; (vii) CUSIP Service Bureau fees and charges; and (viii) expenses (included in the expense component of the underwriting spread) incurred on behalf of the District's employees which are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, and lodging of those employees, if any.

(b) The Underwriter is required to pay fees to the CDIAC in connection with the offering of the Series 2022A Bonds. Notwithstanding that such fees are solely the legal obligation of the Underwriter, the District agrees to reimburse the Underwriter for such fees.

(c) The Underwriter shall pay (from the expense component of the underwriting spread): (i) the cost of preparation and printing of this Purchase Contract and the Preliminary and Supplemental Blue Sky Memorandum; (ii) all advertising expenses and Blue Sky filing fees in connection with the public offering of the Series 2022A Bonds; [(iii) the fees of Digital Assurance Certification L.L.C. for a continuing disclosure undertaking compliance review]; and (iv) all other expenses incurred by the Underwriter in connection with the public offering of the Series 2022A Bonds, including the fees and disbursements of Underwriter's Counsel.

10. Notice. Any notice or other communication to be given to the District under this Purchase Contract may be given by delivering the same in writing to:

Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, California 95821
Attention: Finance Director

Any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to:

Citigroup Global Markets Inc.
300 South Grand Avenue, Suite 3110

Los Angeles, CA 90071
Attention: Cameron Parks, Managing Director

11. Entire Agreement. This Purchase Contract, when accepted by the District, shall constitute the entire agreement between the District and the Underwriter with respect to the subject matter hereof and is made solely for the benefit of the District and the Underwriter (including the successors of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All of the representations, warranties and agreements of the District in this Purchase Contract shall remain operative and in full force and effect except as otherwise provided herein, regardless of any investigations made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Series 2022A Bonds.

12. No Advisory or Fiduciary Role. The District acknowledges and agrees that (i) the purchase and sale of the Series 2022A Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the District and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, advisor or fiduciary of the District, (iii) the Underwriter has not assumed an advisory, fiduciary or municipal advisory responsibility in favor of the District with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District on other matters) and the Underwriter has no obligation to the District with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract and (iv) the District has consulted its own legal, financial, municipal advisory, and other advisors to the extent deemed appropriate.

13. Counterparts. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

14. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

15. STATE LAW GOVERNS. THE VALIDITY, IN INTERPRETATION AND PERFORMANCE OF THIS PURCHASE CONTRACT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

16. No Assignment. The rights and obligations created by this Purchase Contract shall not be subject to assignment by the Underwriter or the District without the prior written consent of the other party hereto.

CITIGROUP GLOBAL MARKETS INC., as
Underwriter

By: _____
Director

Accepted as of the date
first stated above:

SACRAMENTO SUBURBAN WATER DISTRICT

By: _____
General Manager

APPENDIX A

\$ _____
SACRAMENTO SUBURBAN WATER DISTRICT
REFUNDING REVENUE BONDS, SERIES 2022A

<i>Maturity Date (November 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>10% Test Satisfied</i>
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REDEMPTION

The Series 2022A Bonds shall be subject to extraordinary redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity and within maturities as directed by the District in a Written Request provided to the Trustee at least 60 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000 from Net Proceeds, upon the terms and conditions of, and as provided for in, the Indenture, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

The 2022A Bonds with stated maturities on or after November 1, 20__ shall be subject to redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity as directed by the District in a Written Request provided to the Trustee at least 60 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000, on or after [May] 1, 20__, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

EXHIBIT A-1

FORM OF CERTIFICATE OF UNDERWRITER

(10% Rule Only)

ISSUE PRICE CERTIFICATE OF THE UNDERWRITER

\$ _____
Sacramento Suburban Water District
Refunding Revenue Bonds,
Series 2022A

The undersigned, on behalf of Citigroup Global Markets Inc. (the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

THE UNDERSIGNED HEREBY CERTIFY AS FOLLOWS:

1. *Authorization.* The undersigned is authorized to execute this certificate on behalf of the Underwriter.

2. *Sale of the Bonds.* As of the date of this certificate, for each Maturity of Bonds, the first price at which at least 10% of such Maturity of such Bonds was sold to the Public is the respective price listed in Schedule A.

3. *Defined Terms.*

(a) *Issuer* means the Sacramento Suburban Water District.

(b) *Maturity* means Bonds with the same credit and prepayment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a Related Party to an Underwriter.

(d) *Related Party* means if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profits interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate relating to the Bonds, [to which this certificate is attached as an exhibit,] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling, Yocca Carlson & Rauth, a Professional Corporation, as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Forms 8038 and 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

Dated: _____, 2022.

CITIGROUP GLOBAL MARKETS INC., as
Underwriter

By: _____
Authorized Signatory

SCHEDULE A

SALE PRICES

(Attached)

EXHIBIT A-2

FORM OF CERTIFICATE OF THE UNDERWRITER
(10% Rule and Hold-the-Offering-Price Rule to Apply)

ISSUE PRICE CERTIFICATE OF THE UNDERWRITER

\$ _____
Sacramento Suburban Water District
Refunding Revenue Bonds,
Series 2022A

The undersigned, on behalf of Citigroup Global Markets Inc. (the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

THE UNDERSIGNED HEREBY CERTIFY AS FOLLOWS:

1. The undersigned is authorized to execute this certificate on behalf of the Underwriter.

2. *Sale of the General Rule Maturities.* As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of Bonds was sold to the Public is the respective price listed in Schedule A.

3. *Initial Offering Price of the Hold-the Offering-Price Maturities.*

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Purchase Contract, dated _____, 2022, between the Underwriter and the Issuer (herein defined), the Underwriter has agreed in writing that (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the unsold Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Neither the Underwriter [nor its Retail Distribution Partners] has [have] offered or sold unsold Bonds of any Hold-the-Offering- Price Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Hold-the-Offering-Price Maturity of the Bonds during the Holding Period.

4. *Defined Terms.*

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2022), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the- Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Sacramento Suburban Water District.

(e) *Maturity* means Bonds with the same credit and prepayment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company or corporation) other than the Underwriter or a Related Party to the Underwriter.

(g) *Related Party* means if the Underwriter and such entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(h) *Retail Distribution Partners* means [Underwriter to fill in legal names of each party to a retail distribution agreement with the Underwriter].

(i) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2022.

(j) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate relating to the Bonds, [to which this certificate is attached as an exhibit,] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling, Yocca Carlson & Rauth, a Professional Corporation, as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Forms 8038 and 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: _____, 2022.

CITIGROUP GLOBAL MARKETS INC., as
Underwriter

By: _____
Authorized Signatory

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION

Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel to the District, proposes to deliver an opinion in substantially the following form upon the initial issuance of the 2022A Bonds.

_____, 2022

Citigroup Global Markets Inc.
300 South Grand Avenue, Suite 3110
Los Angeles, CA 90071

*Re: \$ _____ Sacramento Suburban Water District
 Refunding Revenue Bonds, Series 2022A*

Ladies and Gentlemen:

We have acted as bond counsel to the Sacramento Suburban Water District (the “District”) in connection with the issuance and sale of Refunding Revenue Bonds, Series 2022A, in the aggregate principal amount of \$ _____ (the “Bonds”). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Indenture of Trust, dated as of March 1, 2022 (the “Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The Bonds have been authenticated by the Trustee pursuant to the terms of the Indenture.

On the date hereof, we delivered to the District an opinion relating to, among other things, the validity of the Bonds and the Indenture. You are authorized to rely upon said opinion as if addressed to you.

Based upon the foregoing and our review of such other information, documents and matters of law as we considered necessary and in reliance on the foregoing, as appropriate, we are of the opinion that:

(i) the Official Statement, dated _____, 2022 (the “Official Statement”), relating to the Bonds and the Purchase Contract, dated _____, 2022 (the “Purchase Contract”), by and between Citigroup Global Markets Inc., as underwriter (the “Underwriter”) and the District, have each been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery of the Purchase Contract by the Underwriter, the Purchase Contract is a valid and binding agreement of the District, enforceable in accordance with its terms; and

(ii) the statements contained in the Official Statement on the cover page and under the captions (or captions containing such information) “INTRODUCTION,” “THE 2022A BONDS,” “SECURITY FOR THE 2022A BONDS,” “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES,” and “TAX MATTERS” and in the appendices entitled (or containing such information) “APPENDIX C – SUMMARY OF 2022 INDENTURES” and “APPENDIX D – FORM OF OPINION OF BOND COUNSEL WITH RESPECT TO THE 2022A BONDS” thereto, insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture, State law and Bond Counsel’s opinions concerning certain federal tax matters relating to the Bonds, are accurate, as of the date of the Official Statement and as of the date hereof.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. We call attention to the fact that the rights and obligations under the Purchase Contract, the Indenture, the Continuing Disclosure Certificate (collectively, the “District Documents”) and the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the District Documents, the Bonds or any document referenced in the Official Statement, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the District Documents or the Bonds or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets under the District Documents or the Bonds. Our services as Bond Counsel to the District did not involve the rendering of financial or other non-legal advice to you, the District or any other party to the transaction

This letter is limited to matters governed by the laws of the State of California and federal law, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. Except as expressly set forth in the Approving Opinion, we express no opinion regarding any tax consequences with respect to the Bonds. We have not been engaged, nor have we undertaken, to advise any party or to opine as to any matters not specifically covered herein, including, but not limited to, matters relating to compliance with any securities laws.

This opinion letter may be relied upon only by you and may not be circulated, quoted from or relied upon by any other party without our prior written consent. This letter is being furnished to you solely for your benefit in connection with your purchase of the Bonds and is not to be used, circulated, quoted or otherwise referred to for any other purpose without our prior written consent. No attorney-client relationship has existed or exists between our firm and you in connection with the issuance of the Bonds or by virtue of this letter. We note you were represented by separate counsel retained by you in connection with the transaction described in the Official Statement.

Our engagement with respect to the Bonds terminates as of the date hereof, and we have not undertaken any duty, and expressly disclaim any responsibility, to advise you as to events occurring after the date hereof with respect to the Bonds or other matters discussed in the Official Statement.

This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not addressed other than you.

Respectfully submitted,

EXHIBIT C

FORM OF DISTRICT COUNSEL OPINION

Bartkiewicz, Kronick & Shanahan, as general counsel to the District, proposes to deliver an opinion in substantially the following form upon the initial issuance of the Series 2022A Bonds.

_____, 2022

Citigroup Global Markets Inc.
300 South Grand Avenue, Suite 3110
Los Angeles, CA 90071

Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, California 95821

*Re: \$ _____ Sacramento Suburban Water District
 Refunding Revenue Bonds, Series 2022A*

Ladies and Gentlemen:

We have acted as counsel to the Sacramento Suburban Water District (the “District”) in connection with the execution and delivery by the District of that certain Indenture of Trust, dated as of March 1, 2022, by and between U.S. Bank Trust Company, National Association, as Trustee and the District (the “Indenture”), in connection with proceedings relative to the issuance of \$ _____ aggregate principal amount of Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022A, (the “Bonds”).

The Indenture, the Purchase Contract, dated ____, 2022, by and between the District and Citigroup Global Markets Inc. (“the Purchase Contract”), the Bonds and the Continuing Disclosure Certificate of the District, are collectively referred to herein as the “District Documents.” Capitalized terms used herein, not otherwise defined, will have the same meaning given to such terms in the Indenture.

In rendering this opinion, we have examined originals or copies satisfactory to us of all public records, agreements, certificates and other documents that we have deemed relevant and necessary as a basis for the opinions hereinafter expressed. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity with the original documents of all documents submitted to us as copies.

As to questions of fact material to our opinion, we have relied upon certifications of public officials furnished to us without undertaking to verify the same by independent investigations.

We are admitted to the practice of law only in the State of California and do not express any opinion as to the laws of any other state or jurisdiction (including federal law and regulations). We are not opining as to the validity or enforceability of the Indenture or the Bonds or as to the tax status of interest payable on the Bonds, which such opinions are being delivered separately by Stradling Yocca Carlson & Rauth, a Professional Corporation, as bond counsel.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, it is our opinion that:

(A) The District is a county water district duly organized and validly existing under the Constitution and the laws of the State, and has all the necessary power and authority to enter into and perform its duties under the District Documents.

(B) The resolution authorizing the District Documents has been duly adopted or ratified by the District.

(C) Each of the District Documents has been duly authorized, executed and delivered by the District and each constitutes a legal, valid, binding and enforceable obligation of the District.

(D) The execution and delivery of the District Documents by the District and compliance by the District with the provisions thereof, will not conflict with, or constitute or with the giving of notice or the passage of time would constitute, a breach of or default under any existing law or administrative rule or regulation, or, to the best knowledge of such counsel, any court order or decree, or any agreement, contract or other instrument to which the District is a party or is otherwise subject or bound.

(E) Because the primary purpose of such counsel's professional engagement was not to establish factual matters and because of the wholly or partially non-legal character of many determinations involved in the preparation of the Preliminary Official Statement and the Official Statement, such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement and the Official Statement and makes no representation that it has independently verified the accuracy, completeness or fairness of any such statements. However, in such counsel's capacity as general counsel for the District, such counsel advises that no information has come to its attention to lead it to believe that, as of its date the Preliminary Official Statement, and as of the date hereof and as of the Closing Date, the Official Statement (excluding therefrom all reports, financial and statistical data and forecasts therein, and the appendices thereto, and the information contained under the caption "UNDERWRITING," and "CONTINUING DISCLOSURE UNDERTAKING" (as to which such counsel expresses no opinion)) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(F) Except as otherwise disclosed in the Official Statement, there is no litigation, proceeding, action, suit, or investigation (or any basis therefor) at law or in equity before or by any court, governmental agency or body, pending or, to such counsel's best knowledge, threatened, against the District challenging the creation, organization or existence of the District, or the validity of the District Documents or seeking to restrain or enjoin the payment of debt service on the Series 2022A Bonds or in any way contesting or affecting the validity of the District Documents or any of the

transactions referred to therein or contemplated thereby or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, or contesting the authority of the District to enter into or perform its obligations under any of the District Documents, or under which a determination adverse to the District would have a material adverse effect upon the financial condition or the revenues of the District, or which, in any manner, questions or affects the right or ability of the District to enter into the District Documents or affects in any manner the right or ability of the District to pay debt service on the Series 2022A Bonds.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the District Documents, the Bonds or any document referenced in the Official Statement, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the District Documents or the Bonds or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets under the District Documents or the Bonds. Our services as District Counsel did not involve the rendering of financial or other non-legal advice to you, the District or any other party to the transaction.

We are furnishing this opinion to you at your request and solely for your benefit, and we are not assuming any professional responsibility to any other person whomsoever. This opinion is not to be relied on, used, circulated, quoted or otherwise referred to for any other purpose by any other entity or person without our prior written consent.

The information in this letter is effective as of the date set forth above and is based on the law and our actual knowledge of the facts at that time. We disclaim any duty to advise you of legal or factual changes which thereafter may be brought to our attention.

Respectfully submitted,

EXHIBIT D

FORM OF DISCLOSURE COUNSEL NEGATIVE ASSURANCE LETTER

Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel to the District, proposes to deliver a negative assurance letter in substantially the following form upon the initial issuance of the Series 2022A Bonds.

_____, 2022

Citigroup Global Markets Inc.
300 South Grand Avenue, Suite 3110
Los Angeles, CA 90071

*Re: \$ _____ Sacramento Suburban Water District
 Refunding Revenue Bonds, Series 2022A*

Ladies and Gentlemen:

We have acted as disclosure counsel to Sacramento Suburban Water District (the “District”) in connection with the issuance of the above-referenced bonds (the “Bonds”). The Bonds are being purchased by you, as underwriter of the Bonds. All capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Official Statement.

In rendering the advice contained herein, we have examined originals or copies certified or otherwise identified to our satisfaction of: (i) the Indenture of Trust (the “Indenture”), dated as of March 1, 2022, by and between the District and U.S. Bank Trust Company, National Association, as trustee; (ii) the Preliminary Official Statement, dated _____, 2022 (the “Preliminary Official Statement”) relating to the Bonds; (iii) the Official Statement, dated _____, 2022 (the “Official Statement”) relating to the Bonds; (iv) Resolution No. 22-__ of the Board of Directors (the “Board”) of the District adopted on February 28, 2022; (v) the letters, certificates and opinions delivered to you in connection with the sale of the Bonds; and (vi) the minutes of the Board for the period January 1, 2021 through [August 2, 2021]. We do not assume any responsibility for any electronic versions of the Preliminary Official Statement and the Official Statement and assume that any such version is identical in all respects to the version printed at closing for the transcript for the Bonds.

The conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform you or any other person, whether any such actions are taken or omitted or whether such events do occur or any other matters come to our attention after the date hereof. We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto and that all representations made in the documents that we have reviewed are true and accurate. We have assumed, without independent verification, the accuracy of the factual matters represented, warranted or certified in the

documents, and of the legal conclusions contained in any opinions referenced in the Preliminary Official Statement and the Official Statement.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in any document referenced in the Preliminary Official Statement or the Official Statement, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets under the Indenture. Our services as disclosure counsel to the District did not involve the rendering of financial or other non-legal advice to you, the District, or any other party to the transaction.

Although we have not undertaken to determine independently or verify and are not passing upon and do not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, and are therefore unable to make any representation to you in that regard, we have participated in conferences prior to the date of the Official Statement with your representatives, Gilmore & Bell P.C., your counsel, and representatives of the District, including the District's General Counsel and the District's municipal advisor, Fieldman, Rolapp & Associates, Inc., and others, during which conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. Based upon the information made available to us in the course of our participation in such conferences as disclosure counsel to the District, our review of the documents referred to above, our reliance on the oral and written statements of the District and others, the documents, certificates, instructions and records and the opinions of counsel described above and our understanding of applicable law, and subject to the limitations on our role as disclosure counsel to the District, we advise you as a matter of fact but not opinion that no information has come to the attention of the attorneys in the firm performing services for the District as disclosure counsel on this matter which caused us to believe that: (a) the Preliminary Official Statement as of its dated or as of _____, 2022 contained any untrue statement of a material fact, or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect, and (b) the Official Statement as of its date contained, or as of the date hereof contains, any untrue statement of a material fact, or as of its date omitted, or as of the date hereof omits, to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect (except that with respect to the Preliminary Official Statement and the Official Statement, we express no view with respect to: (i) the expressions of opinion, the assumptions, the projections, estimates and forecasts, the charts, the financial statements or other financial, numerical, economic, demographic or statistical data, or assessed valuations contained therein; (ii) any CUSIP numbers or information relating thereto; (iii) any information with respect to The Depository Trust Company and its book-entry system; (iv) any information contained in the appendices thereto; (v) any information incorporated by reference therein; (vi) the District's compliance with their obligations to provide notice of the events described in part (b)(5)(i)(C) of Rule 15c2-12 promulgated under the Securities Act of 1934 ("Rule 15c2-12") or to file annual reports described in part (b)(5)(i)(A) of Rule 15c2-12, review of which matters we understand has been undertaken by [Digital Assurance Certification L.L.C]; (vii) any information with respect to the underwriter or underwriting matters with respect to the Bonds, including but not limited to information under the caption "UNDERWRITING"; and (viii) any information with respect to the ratings on the Bonds and the rating agencies referenced therein,

including but not limited to information under the caption “RATINGS”. Finally, we advise you that, other than reviewing the various certificates and opinions dated the date hereof executed in connection with the issuance of the Bonds, we have not taken any steps since the date of the Official Statement to verify the accuracy of the respective statements contained in the Official Statement as of the date hereof. No responsibility is undertaken or opinion rendered with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by, or incorporated by reference in, the Preliminary Official Statement and the Official Statement.

By acceptance of this letter you recognize and acknowledge that: (i) the negative assurance above is not an opinion and is based on certain limited activities performed by specific attorneys in our firm in our role as disclosure counsel to the District; (ii) the scope of the activities performed by such attorneys in our role as disclosure counsel to the District and for purposes of delivering such negative assurances were inherently limited and do not purport to encompass all activities necessary for compliance by you or others in accordance with applicable state and federal securities laws; and (iii) the activities performed by such attorneys in our role as disclosure counsel to the District rely in part by representations, warranties, certifications and opinions of other parties to the transaction, including representations, warranties and certifications made by the District.

This letter is being furnished to you solely for your benefit in connection with your purchase of the Bonds and is not to be used, circulated, quoted or otherwise referred to for any other purpose without our prior written consent. No attorney-client relationship has existed or exists between our firm and you in connection with the issuance of the Bonds or by virtue of this letter. We note you were represented by separate counsel retained by you in connection with the transaction described in the Official Statement. This letter is limited to matters governed by the laws of the State of California and federal securities laws, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

Our engagement as disclosure counsel to the District terminates as of the date hereof, and we have not undertaken any duty, and expressly disclaim any responsibility, to advise you as to events occurring after the date hereof with respect to the Bonds or other matters discussed in the Preliminary Official Statement and the Official Statement. This letter is not intended to, and may not, be relied upon by owners of the Bonds, the owners of any beneficial ownership interest in the Bonds or by any other party to whom it is not addressed.

EXHIBIT E

FORM OF DEFEASANCE OPINION

Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel to the District, proposes to deliver an opinion in substantially the following form upon the initial issuance of the Bonds.

_____, 2022

Citigroup Global Markets Inc.
300 South Grand Avenue, Suite 3110
Los Angeles, CA 90071

*Re: \$ _____ Sacramento Suburban Water District
 Refunding Revenue Bonds, Series 2022A*

Ladies and Gentlemen:

We have acted as Bond Counsel to the Sacramento Suburban Water District (the “District”) in connection with the issuance of the \$ _____ aggregate principal amount of Refunding Revenue Bonds, Series 2022A, dated _____, 2022 (the “Bonds”). The Bonds have been issued pursuant to the terms of the Indenture of Trust, dated as of March 1, 2022 (the “Indenture”), by and between the District and the Trustee. Capitalized terms used herein and not defined shall have the meanings given to such terms in the Indenture.

Pursuant to the Indenture, the District has deposited a portion of the proceeds of the Bonds in the Bond Proceeds Fund established under the Indenture with the Trustee, and the Trustee has transferred such proceeds to the 2009A Trustee to effect the defeasance of the outstanding Sacramento Suburban Water District Adjustable Rate Refunding Revenue Certificates of Participation, Series 2009A (the “Refunded 2009A Certificates”). The Refunded 2009A Certificates were originally executed and delivered under the Trust Agreement, dated as of March 1, 2009 (the “2009A Trust Agreement”), by and among the District, the Sacramento Suburban Water District Financing Corporation (the “Corporation”) and U.S. Bank Trust Company, National Association, as successor trustee to MUFG Union Bank, N.A.

In accordance with the provisions of the 2009A Trust Agreement and the Installment Purchase Agreement, dated as of March 1, 2009 (the “2009A Installment Purchase Agreement”), by and between the District and the Corporation, and subject to the assumptions set forth herein:

(i) the right, title and interest of the Corporation and the obligations of the District with respect to the Series 2009A Installment Payments (as such term is defined in the 2009A Installment Purchase Agreement) securing the Refunded 2009A Certificates, have ceased, terminated, become

void and been completely discharged and satisfied except as expressly set forth in the 2009A Installment Purchase Agreement; and

(ii) the obligations created by the 2009A Trust Agreement with respect to the Refunded 2009A Certificates have ceased, terminated, and become void except as expressly set forth in the 2009A Trust Agreement.

We have assumed for purposes of this opinion that the amounts deposited pursuant to the 2009A Trust Agreement are equal to the principal of and interest on the 2009A Certificates due on March 16, 2022, without regard to any interest earnings thereon.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. This letter is limited to matters governed by the laws of the State of California, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. We call attention to the fact that the rights and obligations under the Indenture, the 2009A Trust Agreement, 2009A Installment Purchase Agreement, the Refunded 2009A Certificates and the Bonds 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, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California.

By delivering this opinion, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the Indenture, the 2009A Trust Agreement or 2009A Installment Purchase Agreement nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Indenture, the 2009A Trust Agreement or the 2009A Installment Purchase Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on any assets thereunder.

This letter is being furnished to you solely for your benefit in connection with the issuance of the Bonds and is not to be used, circulated, quoted or otherwise referred to for any other purpose without our prior written consent. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter and we are not assuming any professional responsibility to any other person whomsoever.

Respectfully submitted,

EXHIBIT F

FORM OF PARITY CERTIFICATE

The District proposes to execute a parity certificate in substantially the following form in connection with the initial issuance of the Series 2022A Bonds.

\$ _____
**SACRAMENTO SUBURBAN WATER DISTRICT
REFUNDING REVENUE BONDS, SERIES 2022A**

PARITY CERTIFICATE

I, Daniel R. York, General Manager of the Sacramento Suburban Water District (the “District”), hereby certify that as of the date hereof, pursuant to Section 6.13 of the Indenture of Trust, dated as of March 1, 2018 (the “2018 Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as successor to MUFG Union Bank, N.A. (formerly Union Bank, N.A.), as trustee, (all capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the 2018 Indenture), that:

1. The Net Revenues as shown by the books of the District for the period beginning _____ 1, 2021 to _____, 202_, being a consecutive twelve calendar month period within the eighteen calendar month period prior to February 28, 2022, being the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of the Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022A (the “2022A Bonds”), are equal to at least 115% of the Debt Service for such consecutive twelve month period, as evidenced by the calculations shown below and a special report prepared by an Independent Municipal Consultant attached hereto as Exhibit A:

	/ _____ /
Revenues	\$
Operation and Maintenance Costs	_____
NET REVENUES	\$
DEBT SERVICE	\$
COVERAGE	%

2. The Net Revenues as shown by the books of the District for the period beginning _____ 1, 2021 to _____, 202_, being a consecutive twelve calendar month period within the eighteen calendar month period preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of the 2022A Bonds, including adjustments to give effect as of the first day of such consecutive twelve month period to increases or decreases in rates and charges for the Water Service approved and in effect as of the date of calculation, are equal to at least 115% of the Debt Service for such consecutive twelve month period, plus the Debt Service which would have accrued had the 2022A Bonds been issued at the beginning of such consecutive twelve month period, as evidenced by the calculation shown below and a special report prepared by an Independent Municipal Consultant attached hereto as Exhibit A:

	[_____]
Revenues	\$
Operation and Maintenance Costs	_____
NET REVENUES	\$
DEBT SERVICE	\$
COVERAGE	%

3. The estimated Net Revenues for the Fiscal Year ending June 30, 2022 and for each Fiscal Year thereafter to and including the Fiscal Year ending June 30, 20__, being the current Fiscal Year and the first complete Fiscal Year after the latest Date of Operation of any uncompleted Project, including (after giving effect to the completion of all such uncompleted Projects) an allowance for estimated Net Revenues for each of such Fiscal Years arising from any increase in the income, rents, fees, rates and charges estimated to be fixed, prescribed or received for Water Service and which are economically feasible and reasonably considered necessary based on projected operations for such period, as evidenced by a certificate of the General Manager on file with the District, shall produce a sum equal to at least 115% of the estimated Debt Service for each of such Fiscal Years, after giving effect to the execution of all Contracts and the issuance of all Bonds estimated to be required to be executed or issued to pay the costs of completing all uncompleted Projects within such Fiscal Years, assuming that all such Contracts and Bonds have maturities, interest rates and proportionate principal repayment provisions similar to the Contract last executed or then being executed or the Bonds last issued or then being issued for the purpose of acquiring and constructing any of such uncompleted Projects.

[Remainder of Page Intentionally Left Blank]

Dated: _____, 2022

SACRAMENTO SUBURBAN WATER DISTRICT

By: _____
Its: General Manager

EXHIBIT A

REPORT OF INDEPENDENT MUNICIPAL CONSULTANT

I, Robert Porr of Fieldman, Rolapp & Associates, Inc., hereby certify that, pursuant to Section 6.13 of the Indenture of Trust, dated as of March 1, 2018 (the “2018 Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as successor to MUFG Union Bank, N.A. (formerly Union Bank, N.A.), as trustee, we as a qualified Independent Municipal Consultant, are providing the following report and confirm as of the date hereof the calculations set forth below (all capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the 2018 Indenture), that:

- (1) The Net Revenues as shown by the books of the District for the period beginning _____ 1, 2021 to _____, 202_, being a consecutive twelve calendar month period within the eighteen calendar month period prior to February 28, 2022, being the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of the Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022A (the “2022A Bonds”), are equal to at least 115% of the Debt Service for such consecutive twelve month period, as shown below.

		/ _____ /	
Revenues		\$	
Operation and Maintenance Costs		_____	
NET REVENUES		\$	
DEBT SERVICE		\$	
COVERAGE			%

- (2) The Net Revenues as shown by the books of the District for the period beginning _____ 1, 2021 to _____, 202_, being a consecutive twelve calendar month period within the eighteen calendar month period preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of issuance of the 2022A Bonds, including adjustments to give effect as of the first day of such consecutive twelve month period to increases or decreases in rates and charges for the Water Service approved and in effect as of the date of calculation, are equal to at least 115% of the Debt Service for such consecutive twelve month period, plus the Debt Service which would have accrued had the 2022A Bonds been issued at the beginning of such consecutive twelve month period, as shown below.

		/ _____ /	
Revenues		\$	
Operation and Maintenance Costs		_____	
NET REVENUES		\$	
DEBT SERVICE		\$	
COVERAGE			%

Dated: _____, 2022

FIELDMAN, ROLAPP & ASSOCIATES, INC.

By: _____
Robert Porr
Executive Vice President

EXHIBIT D
2022B PURCHASE CONTRACT

PURCHASE CONTRACT

\$ _____
SACRAMENTO SUBURBAN WATER DISTRICT
REFUNDING REVENUE BONDS, SERIES 2022B (TAXABLE)

_____, 2022

Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Ladies and Gentlemen:

Citigroup Global Markets Inc., acting on behalf of itself and not as an agent or representative of you (the “Underwriter”), offers to enter into this purchase contract (the “Purchase Contract”) with the Sacramento Suburban Water District (the “District”), which will be binding upon the District and the Underwriter upon the acceptance hereof by the District. This offer is made subject to its acceptance by the District by execution of this Purchase Contract and its delivery to the Underwriter, on or before 8:00 p.m., California time, on the date hereof. All terms used herein and not otherwise defined shall have the meanings given to such terms in the Official Statement (as hereafter defined).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase, and the District hereby agrees to cause to be delivered to the Underwriter, all (but not less than all) of \$ _____ aggregate principal amount of the Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022B (Taxable) (the “Series 2022B Bonds”). The Series 2022B Bonds will mature in the amounts and on the dates and bear interest at the rates set forth on Appendix A hereto. The Underwriter will purchase the Series 2022B Bonds for the aggregate purchase price of \$ _____ (representing the aggregate principal amount of the Series 2022B Bonds plus original issue premium of \$ _____, less an underwriting discount of \$ _____).

2. Description and Purpose of the Series 2022B Bonds. The Series 2022B Bonds shall be issued pursuant to an Indenture of Trust dated as of March 1, 2022 (the “Indenture”) by and between the District and U.S. Bank Trust Company, National Association, as trustee (“U.S. Bank”). The Series 2022B Bonds are limited obligations of the District and are payable solely from Net Revenues and from certain other amounts on deposit in funds and accounts under the Indenture. The Series 2022B Bonds shall be as described in the Indenture and the Official Statement dated _____, 2022, relating to the Series 2022B Bonds and the Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022A (the “Series 2022A Bonds”) (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriter, is hereinafter called the “Official Statement”).

The Series 2022B Bonds are being issued to (i) advance refund the District’s Refunding Revenue Bonds, Series 2012A maturing on and after November 1, 2023 (the “Refunded Obligations”) and (ii) pay the costs of issuing the Series 2022B Bonds.

3. Public Offering. The Underwriter agrees to make an initial bona fide public offering of all the Series 2022B Bonds at the public offering prices set forth on the inside cover page of the Official Statement. Subsequent to the initial public offering, the Underwriter reserves the right to change the initial public offering prices as the Underwriter shall deem necessary in connection with the marketing of the Series 2022B Bonds, provided that the Underwriter shall not change the interest rates set forth on Appendix A hereto. The Underwriter may offer and sell the Series 2022B Bonds to certain dealers (including dealers depositing the Series 2022B Bonds into investment trusts) and others at prices lower than initial public offering prices. The Underwriter also reserves the right (i) to engage in transactions that stabilize, maintain or otherwise affect the market price of the Series 2022B Bonds at a level above that which might otherwise prevail in the open market and (ii) to discontinue such transactions, if commenced, at any time.

4. Use and Preparation of the Official Statement. Pursuant to the authorization of the District, the Underwriter has distributed copies of the Preliminary Official Statement dated _____, 2022, relating to the Series 2022A Bonds and Series 2022B Bonds, which, together with the cover page and appendices thereto, is hereinafter called the “Preliminary Official Statement.” By its execution of this Purchase Contract, the District hereby approves and ratifies the distribution and use by the Underwriter of the Preliminary Official Statement. The District agrees to execute and deliver a final Official Statement in substantially the same form as the Preliminary Official Statement with such changes as may be made thereto with the consent of the District and the Underwriter, as appropriate, and to provide copies thereof to the Underwriter as set forth in Section 7(e)(xii) hereof. The District hereby authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Series 2022B Bonds: the Preliminary Official Statement, the Official Statement, the Indenture, the Continuing Disclosure Certificate (as hereinafter defined), and other documents or contracts to which the District is a party in connection with the transactions contemplated by this Purchase Contract, including this Purchase Contract and all information contained herein, and all other documents, certificates and statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

5. The Closing. At 8:00 a.m., California time, on _____, 2022, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the District and the Underwriter (the “Closing Date”), the District will cause to be executed and delivered (i) the Series 2022B Bonds in book-entry form through the facilities of The Depository Trust Company, or its agent, on behalf of the Underwriter, and (ii) the closing documents hereinafter mentioned at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”) in Sacramento, California or another place to be mutually agreed upon by the District and the Underwriter. The Underwriter will accept such delivery of the Series 2022B Bonds and pay the purchase price of such Series 2022B Bonds as set forth in Section 1 hereof in immediately available funds to the order of the District. This payment for and delivery of the Series 2022B Bonds, together with the execution and delivery of the aforementioned documents, is herein called the “Closing.”

6. District Representations, Warranties and Covenants. The District represents, warrants and covenants to the Underwriter that:

(i) Due Organization, Existence and District. The District is a county water district duly organized and existing under the Constitution and laws of the State of California (the “State”), with full right, power and authority to execute, deliver and perform its obligations under this Purchase Contract, the Indenture, and the Continuing Disclosure Certificate (collectively, the “District Documents”) and to carry out and

consummate the transactions contemplated by the District Documents and the Official Statement.

(ii) Due Authorization and Approval. By all necessary official action of the District prior to or concurrently with the acceptance hereof, the District has duly authorized and approved the execution, delivery and performance by the District of the obligations in connection with the issuance of the Series 2022B Bonds on its part contained in the District Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded, and when executed and delivered, each District Document and the Series 2022B Bonds will constitute the legally valid and binding obligation of the District enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws or equitable principles relating to or affecting creditors' rights generally or by the exercise of judicial discretion in appropriate cases or by limitations on legal remedies against public agencies in the State and the District is and will be on the Closing Date in compliance with the provisions of the District Documents.

(iii) Official Statement Accurate and Complete. The Preliminary Official Statement was as of its date, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement contain, and up to and including the Closing, will contain no misstatement of any material fact and do not, and up to and including the Closing, will not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (except no representation is made with respect to information relating to DTC or DTC's book-entry system).

(iv) Underwriter's Consent to Amendments and Supplements to the Official Statement. The District will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement, and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The District will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Series 2022B Bonds.

(v) District Agreement to Amend or Supplement the Official Statement. If after the date of this Purchase Contract and until 25 days after the end of the "underwriting period" (as defined in Section 240 15c2-12 in Chapter II of Title 17 of the Code of Federal Regulations ("Rule 15c2-12")), any event occurs as a result of which the Official Statement as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and, in the reasonable opinion of the Underwriter, an amended or supplemented Official Statement should be delivered in connection with the offers or sales of the Series 2022B Bonds to reflect such event, the District promptly will prepare at its expense an amendment or supplement which will correct such

statement or omission and the District shall promptly furnish to the Underwriter a reasonable number of copies of such amendment or supplement. The Underwriter hereby agrees to deposit the Official Statement with the Municipal Securities Rulemaking Board (the “MSRB”). The Underwriter acknowledges that the end of the “underwriting period” will be the date of Closing.

(vi) No Material Change in Finances. Except as otherwise described in the Official Statement, there shall not have been any material adverse changes in the financial condition of the District since the end of the fiscal year of the District’s most recent audited financial report.

(vii) No Breach or Default. The District is not in default, nor has it been in default, as to principal or interest with respect to an obligation issued or incurred by the District, and the District is not, in any manner which would materially adversely affect the transactions contemplated hereby and by the District Documents, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or under the District Documents or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would materially adversely affect the transactions contemplated by the District Documents, a default or event of default under any such instrument; and the authorization, execution and delivery of the District Documents and compliance with the provisions of each of such agreements or instruments do not in any manner which would materially adversely affect the transactions contemplated by the District Documents, conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the District Documents.

(viii) No Litigation. No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, except as disclosed in the Official Statement, to the best knowledge of the District after due investigation, threatened (i) in any way questioning the corporate existence of the District or the titles of the officers of the District to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance of any of the Series 2022B Bonds, or in any way contesting or affecting the validity of the Series 2022B Bonds or the District Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Series 2022B Bonds from gross income for federal income tax purposes or contesting the powers of the District to enter into the District Documents; or (iii) which may result in any material adverse change to the financial condition of the District or to its ability

to pay principal of or interest on the Series 2022B Bonds when due, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iii) of this sentence.

(ix) Prior Liens on Net Revenues. The District does not and will not, as of the date of Closing, have outstanding any other indebtedness which indebtedness is secured by a lien on the Revenues superior to the lien of the Series 2022A Bonds on the Revenues. Other than payments of principal of and interest on the Series 2012A Bonds and Series 2018A Bonds, certain payments in connection with the Interest Rate Swap Agreement, and certain payments under the Sumitomo Credit Facility Agreement, the District does not and, other than the Series 2012A Bonds maturing on November 1, 2022, and the Series 2018A Bonds, will not, as of the date of Closing, have outstanding any other indebtedness which indebtedness is payable from the Net Revenues on a parity with the lien of the Series 2022A Bonds on the Net Revenues.

(x) Further Cooperation: Blue Sky. The District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (A) to qualify the Series 2022B Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (B) to determine the eligibility of the Series 2022B Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Series 2022B Bonds; provided, however, that the District shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(xi) Consents and Approvals. Except as may be described in the Preliminary Official Statement and the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the District of its obligations in connection with, the District Documents or the refunding of the Refunded Obligations have been duly obtained or made, except as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2022B Bonds.

(xii) No Other Obligations. Between the date of this Purchase Contract and the date of Closing and except as otherwise disclosed in the Official Statement, the District will not, without the prior written consent of the Underwriter, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, directly or contingently payable from the Net Revenues.

(xiii) Certificates. Any certificate signed by any official of the District and delivered to the Underwriter shall be deemed to be a representation and warranty by the District to the Underwriter as to the statements made therein.

(xiv) Compliance with Rule 15c2-12. The Preliminary Official Statement heretofore delivered to the Underwriter has been deemed final by the District as of the date of the Preliminary Official Statement, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(i) of Rule 15c2-12. The District hereby covenants and agrees that, within two business days from the date hereof, it shall cause a final form of the Official Statement to be delivered to the Underwriter in sufficient quantity to comply with paragraph (b)(4) of Rule 15c2-12 and Rules of the MSRB.

(xv) Continuing Disclosure. Other than as disclosed in the Official Statement, during the past five years, the District has not failed to comply in any material respect with any continuing disclosure undertaking previously entered into by the District pursuant to Rule 15c2-12 of the Securities and Exchange Commission. The District will undertake, pursuant to a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), to provide annual reports and notices of certain events in accordance with the requirements of Rule 15c2-12. A form of the Continuing Disclosure Certificate is set forth in Appendix G to the Official Statement.

7. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the District contained herein and in the District Documents and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the District of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter’s obligations under this Purchase Contract are and shall be subject to the following additional conditions:

(a) Bring-Down Representation. The representations, warranties and covenants of the District contained herein, shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing (i) the District Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Underwriter, (ii) there shall be in full force and effect such resolutions (the “Resolutions”) as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Official Statement and the District Documents, (iii) the District shall perform or have performed its obligations required or specified in the District Documents to be performed at or prior to Closing, and (iv) the Official Statement shall not have been supplemented or amended, except pursuant to Sections 6(iv) or 6(v) hereof or as otherwise may have been agreed to in writing by the Underwriter.

(c) No Default. At the time of the Closing, no default, or any event that with the passage of time would be reasonably likely to result in default, shall have occurred or be existing under the Resolutions, the District Documents, or any other agreement or document pursuant to which any of the District’s financial obligations were issued and the District shall not be in default in the payment of principal or interest on any of its financial obligations which default would materially adversely impact the ability of the District to make debt service payments on the Series 2022B Bonds.

(d) Termination Events. The Underwriter shall have the right to terminate this Purchase Contract, without liability therefor, by written notification to the District if at any time at or prior to the Closing:

(i) any event shall occur which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(ii) Between the date hereof and the Closing Date, the market price or marketability, or the ability of the Underwriter to enforce contracts for the sale, at the initial offering price set forth in the Official Statement, of the Series 2022B Bonds shall not have been materially adversely affected in the reasonable judgment of the Underwriter (evidenced by a written notice to the District terminating the obligation of the Underwriter to accept delivery of and make any payment for the Series 2022B Bonds) by reason of any of the following:

(A) an amendment to the Constitution of the United States or the State shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter, or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of California or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made, or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State authority with respect to federal or State taxation upon revenues or other income of the general character to be derived by the District or upon interest received on obligations of the general character of the Series 2022B Bonds that, in the reasonable judgment of the Underwriter, materially and adversely affects the tax status of the District, its property or income, its securities (including the Series 2022B Bonds) or the interest thereon, or any tax exemption granted or authorized by State legislation;

(B) legislation enacted, introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and Exchange Commission or by any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that obligations of the general character of the Series 2022B Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended;

(C) there shall have occurred any new outbreak or escalation of hostilities, declaration by the United States of or any escalation of a national emergency or war or other calamity or crisis in financial markets;

(D) the declaration of a general banking moratorium by federal, New York or California authorities, or a major financial crisis or a material disruption in commercial banking or securities settlement, payment or clearances services shall have occurred or the general suspension of trading on any national securities exchange;

(E) the imposition by the New York Stock Exchange or other national securities exchange or any governmental authority of any material restrictions not now in force with respect to the Series 2022B Bonds or obligations of the general character of the Series 2022B Bonds or securities generally or the material increase of any such restrictions now in force, including those relating to the extension of credit by or the charge to the net capital requirements of, the Underwriter;

(F) an order, decree or injunction of any court of competent jurisdiction or order, ruling, regulation or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Series 2022B Bonds or the issuance, offering or sale of the Series 2022B Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(G) the withdrawal or downgrading of any rating of the Series 2022B Bonds or other debt securities of the District by S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P"), or any formal statement shall be published, such as being placed on "credit watch" with negative implications or "negative outlook" or similar qualification, with respect to the Series 2022B Bonds or other debt securities of the District;

(H) any event occurring, or information becoming known that, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(I) any litigation or proceedings shall be pending or threatened contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto or asserting that the Official Statement contained any untrue statement of material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) Closing Documents. At or prior to the Closing, the Underwriter shall receive with respect to the Series 2022B Bonds the following documents:

(i) Bond Opinion. An approving opinion of Bond Counsel dated the date of the Closing and substantially in the form included as Appendix E to the Official Statement, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriter, to the effect that the foregoing opinion addressed to the District may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it.

(ii) Supplemental Opinion. A supplemental opinion of Bond Counsel addressed to the Underwriter, substantially in the form attached hereto as Exhibit A.

(iii) District Counsel Opinion. An opinion of Bartkiewicz, Kronick & Shanahan, general counsel to the District, dated the date of the Closing and addressed to the Underwriter, in substantially the form attached hereto as Exhibit B.

(iv) Negative Assurance Letter. A negative assurance letter of Stradling Yocca Carlson & Rauth, a Professional Corporation, disclosure counsel (“Disclosure Counsel”) dated the Closing Date and addressed to the Underwriter, substantially in the form attached hereto as Exhibit C.

(v) Defeasance Opinion. A defeasance opinion of Bond Counsel dated the date of the Closing addressed to the Underwriter, substantially in the form attached hereto as Exhibit D.

(vi) U.S. Bank’s Counsel Opinion. The opinion of counsel to U.S. Bank, dated the date of the Closing, addressed to the District and the Underwriter, to the effect that:

(A) U.S. Bank is a national banking association, duly organized and validly existing under and by virtue of the laws of the United States of America, having full power and authority to authenticate and deliver the Series 2022B

Bonds and to enter into, accept and administer the trust and duties created under the Indenture and enter into the Indenture;

(B) the Trustee has duly authenticated and delivered the Series 2022B Bonds in accordance with the Indenture and the order of the District;

(C) the Trustee has duly authorized, executed and delivered the Indenture and the Indenture constitutes the legal, valid and binding obligations of the Trustee, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting the rights of creditors generally;

(D) except as may be required under any federal or state securities laws or regulations in connection with the initial purchase and distribution of the Series 2022B Bonds, no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee is or will be required for the valid execution and delivery by the Trustee of the Indenture; and

(E) the Trustee's actions in executing and delivering the Indenture are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound.

(vii) Underwriter's Counsel Opinion. A letter from Gilmore & Bell P.C., counsel to the Underwriter ("Underwriter's Counsel"), dated the date of Closing and addressed to the Underwriter to the effect that:

(A) Such counsel is of the opinion that the Series 2022B Bonds are exempt from registration pursuant to the Securities Act and the Indenture is issued are exempt from qualification pursuant to the Trust Indenture Act;

(B) Such counsel is of the opinion, assuming the due and valid authorization, execution and delivery of the Continuing Disclosure Certificate by, and the validity of the Continuing Disclosure Certificate with respect to, the District, the Continuing Disclosure Certificate complies with paragraph (b)(5) of the Rule; and

(C) Subject to the limitations expressed in the letter, as of the Closing Date such firm had no reason to believe that the Preliminary Official Statement as of its date and as of date of the Purchase Contract, or the Official Statement as of its date and as of the Closing (except for (a) with respect to the Preliminary Official Statement, any information marked as preliminary, subject to change, any permitted omissions allowed pursuant to Rule 15c2-12 of the Securities and Exchange Commission), and (b) with respect to both the Preliminary Official Statement and the Official Statement, (i) any CUSIP

numbers or other identification numbers; (ii) any financial statements contained in the Preliminary Official Statement or the Official Statement (including the basic financial statements, the letter of transmittal, the management's discussion and analysis, the required supplementary information, the statistical section and any other any component of the audit report of the District); (iii) any financial, demographic, statistical or economic data, estimates, projections, numbers, assumptions, charts, graphs, tables, or expressions of opinion contained in the Preliminary Official Statement or the Official Statement; and (iv) information relating to the book-entry-only system, including information in Appendix F – "INFORMATION CONCERNING DTC;" as to all of which such firm expresses no opinion) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(viii) District Certificate. A certificate of the District, dated the date of the Closing, signed on behalf of the District by the General Manager or other duly authorized officer of the District to the effect that:

(A) The representations, warranties and covenants of the District contained in the Purchase Contract are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing and the District has complied with all of, the terms and conditions of the Purchase Contract required to be complied with by the District at or prior to the date of the closing;

(B) No event affecting the District has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading (except no representation is made with respect to information relating to DTC or DTC's book-entry system); and

(C) No event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute an event of default under the District Documents.

(ix) Certificate of U.S. Bank. A certificate, dated the date of Closing, signed by a duly authorized official of U.S. Bank satisfactory in form and substance to the Underwriter, to the effect that:

(A) U.S. Bank is a national banking association, duly organized and validly existing under the laws of the United States of America, and has full power and authority to accept and administer the trust created under the Indenture and to enter into the Indenture;

(B) U.S. Bank has duly authenticated and delivered the Series 2022B Bonds in accordance with the Indenture and the order of the District

(C) U.S. Bank has duly authorized, executed and delivered the Indenture and the Indenture constitutes the legal, valid and binding obligations of the Trustee, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting the rights of creditors generally;

(D) except as may be required under any federal or state securities laws or regulations in connection with the initial purchase and distribution of the Series 2022B Bonds, no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over U.S. Bank is or will be required for the valid execution and delivery by U.S. Bank of the Indenture; and

(E) U.S. Bank's actions in executing and delivering the Indenture are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound.

(x) Evidence of Termination of the Swap Agreement. Evidence of the termination of the International Swaps and Derivatives Association, Inc., Master Agreement, dated April 11, 2012, by and between Wells Fargo Bank, N.A. and the District, together with the related schedule and annex.

(xi) Transcripts. Two transcripts of all proceedings relating to the authorization and issuance of the Series 2022B Bonds.

(xii) Official Statement. The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the District by duly authorized officers thereof.

(xiii) Documents. An original executed copy of each of the District Documents.

(xiv) District Resolution. A certified copy of each District Resolution, certified by the Secretary or Assistant Secretary of the District.

(xv) Resolution of U.S. Bank. A certified copy of the general resolution of U.S. Bank authorizing the execution and delivery of certain documents by certain officers and employees of U.S. Bank, which resolution authorizes the execution and delivery of the Indenture by Trustee.

(xvi) 15c2-12 Certificate of the District. A Certificate of the District "deeming final" the Preliminary Official Statement for purposes of Rule 15c2-12.

(xvii) CDIAC Statements. A copy of Notices of Sale required to be delivered to the California Debt Investment Advisory Commission pursuant to Sections 8855(g) and 53583 of the California Government Code.

(xviii) Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared for filing.

(xix) Rating. Evidence from S&P that the Series 2022B Bonds have been assigned a rating of “___”.

(xx) Parity Certificate. A certificate of the District, dated the Closing Date, signed on behalf of the District by the General Manager, or other duly authorized officer of the District, together with any special report prepared by an Independent Certified Public Accountant or an Independent Financial Consultant, substantially in the forms attached hereto as Exhibit E.

(xxi) Verification Report. A copy of the Verification Report provided by Robert Thomas CPA, LLC.

(xxii) Additional Documents. Such additional certificates, instruments and other documents as the Underwriter may reasonably deem necessary.

If the District shall be unable to satisfy the conditions contained in this Purchase Contract, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the District shall be under further obligation hereunder, except as further set forth in Section 8 hereof.

8. Expenses. (a) The Underwriter shall be under no obligation to pay, and the District shall pay, any expenses incident to the performance of the District’s obligations hereunder, including but not limited to: (i) the cost of preparation, printing and distribution of the District Documents, the Preliminary Official Statement, the Official Statement and any supplements or amendments thereto; (ii) the cost of preparing and printing the Series 2022B Bonds; (iii) the fees and disbursements of Bond Counsel (including the cost of preparation of this Purchase Contract), Disclosure Counsel and the fees and expenses of general counsel to the District; (iv) the fees and disbursements of any engineers, accountants and other experts, consultants or advisors retained by the District; (v) fees for municipal bond ratings; (vi) Trustee fees; (vii) CUSIP Service Bureau fees and charges; and (viii) expenses (included in the expense component of the underwriting spread) incurred on behalf of the District’s employees which are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, and lodging of those employees, if any.

(b) The Underwriter is required to pay fees to the CDIAC in connection with the offering of the Series 2022B Bonds. Notwithstanding that such fees are solely the legal obligation of the Underwriter, the District agrees to reimburse the Underwriter for such fees.

(c) The Underwriter shall pay (from the expense component of the underwriting spread): (i) the cost of preparation and printing of this Purchase Contract and the Preliminary and Supplemental Blue Sky Memorandum; (ii) all advertising expenses and Blue Sky filing fees in connection with the public offering of the Series 2022B Bonds; [(iii) the fees of Digital Assurance Certification L.L.C. for a continuing disclosure undertaking compliance review];

and (iv) all other expenses incurred by the Underwriter in connection with the public offering of the Series 2022B Bonds, including the fees and disbursements of Underwriter's Counsel.

9. Notice. Any notice or other communication to be given to the District under this Purchase Contract may be given by delivering the same in writing to:

Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, California 95821
Attention: Finance Director

Any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to:

Citigroup Global Markets Inc.
300 South Grand Avenue, Suite 3110
Los Angeles, CA 90071
Attention: Cameron Parks, Managing Director

10. Entire Agreement. This Purchase Contract, when accepted by the District, shall constitute the entire agreement between the District and the Underwriter with respect to the subject matter hereof and is made solely for the benefit of the District and the Underwriter (including the successors of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All of the representations, warranties and agreements of the District in this Purchase Contract shall remain operative and in full force and effect except as otherwise provided herein, regardless of any investigations made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Series 2022B Bonds.

11. No Advisory or Fiduciary Role. The District acknowledges and agrees that (i) the purchase and sale of the Series 2022B Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the District and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, advisor or fiduciary of the District, (iii) the Underwriter has not assumed an advisory, fiduciary or municipal advisory responsibility in favor of the District with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District on other matters) and the Underwriter has no obligation to the District with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract and (iv) the District has consulted its own legal, financial, municipal advisory, and other advisors to the extent deemed appropriate.

12. Counterparts. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

13. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

14. STATE LAW GOVERNS. THE VALIDITY, IN INTERPRETATION AND PERFORMANCE OF THIS PURCHASE CONTRACT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

15. No Assignment. The rights and obligations created by this Purchase Contract shall not be subject to assignment by the Underwriter or the District without the prior written consent of the other party hereto.

CITIGROUP GLOBAL MARKETS INC.,
as Underwriter

By: _____
Director

Accepted as of the date
first stated above:

SACRAMENTO SUBURBAN WATER DISTRICT

By: _____
General Manager

APPENDIX A

\$ _____
SACRAMENTO SUBURBAN WATER DISTRICT
REFUNDING REVENUE BONDS, SERIES 2022B

<i>Maturity Date (November 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>10% Test Satisfied</i>
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REDEMPTION

(1) The Series 2022B Bonds shall be subject to extraordinary redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity and within maturities as directed by the District in a Written Request provided to the Trustee at least 60 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000 from Net Proceeds, upon the terms and conditions of, and as provided for in, the Indenture, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

(2) The 2022B Bonds with stated maturities on or after November 1, 20__ shall be subject to redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity as directed by the District in a Written Request provided to the Trustee at least 60 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000, on or after [May] 1, 20__, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

(3) The 2022B Bonds will be subject to redemption prior to [November] 1, 20__ at the option of the District, as a whole or in part on any Business Day in the order of maturity as directed by the District in a Written Request provided to the Trustee at least 30 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000, at the “Make-Whole Redemption Price.” The “Make-Whole Redemption Price,” as determined by the District, is the greater of (1) 100% of the principal amount of the 2022B Bonds to be redeemed; or (2) the sum of the present value of the remaining scheduled payments of principal of and interest to the maturity date on the 2022B Bonds to be redeemed, not including any portion of those payments of interest thereon accrued and unpaid as of the date on which the 2022B Bonds are to be redeemed, discounted to the

date on which the 2022B Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus: (i) __ basis points with respect to the 2022B Bonds maturing on November 1, 20__ through November 1, 20__, inclusive; and (ii) __ basis points with respect to the 2022B Bonds maturing on November 1, 20__ through November 1, 2027, inclusive; plus, in each case, accrued and unpaid interest on the 2022B Bonds to be redeemed on the date of redemption.

EXHIBIT A

FORM OF SUPPLEMENTAL OPINION

Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel to the District, proposes to deliver an opinion in substantially the following form upon the initial issuance of the 2022B Bonds.

_____, 2022

Citigroup Global Markets Inc.
300 South Grand Avenue, Suite 3110
Los Angeles, CA 90071

*Re: \$ _____ Sacramento Suburban Water District
 Refunding Revenue Bonds, Series 2022B (Taxable)*

Ladies and Gentlemen:

We have acted as bond counsel to the Sacramento Suburban Water District (the “District”) in connection with the issuance and sale of Refunding Revenue Bonds, Series 2022B (Taxable), in the aggregate principal amount of \$ _____ (the “Bonds”). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Indenture of Trust, dated as of March 1, 2022 (the “Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The Bonds have been authenticated by the Trustee pursuant to the terms of the Indenture.

On the date hereof, we delivered to the District an opinion relating to, among other things, the validity of the Bonds and the Indenture. You are authorized to rely upon said opinion as if addressed to you.

Based upon the foregoing and our review of such other information, documents and matters of law as we considered necessary and in reliance on the foregoing, as appropriate, we are of the opinion that:

(i) the Official Statement, dated _____, 2022 (the “Official Statement”), relating to the Bonds and the Purchase Contract, dated _____, 2022 (the “Purchase Contract”), by and between Citigroup Global Markets Inc., as underwriter (the “Underwriter”) and the District, have each been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery of the Purchase Contract by the Underwriter, the Purchase Contract is a valid and binding agreement of the District, enforceable in accordance with its terms; and

(ii) the statements contained in the Official Statement on the cover page and under the captions (or captions containing such information) “INTRODUCTION,” “THE 2022B BONDS,” “SECURITY FOR THE 2022B BONDS,” “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES,” and “TAX MATTERS” and in the appendices entitled (or

containing such information) “APPENDIX C – SUMMARY OF 2022 INDENTURES” and “APPENDIX E – FORM OF OPINION OF BOND COUNSEL WITH RESPECT TO THE 2022B BONDS” thereto, insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture, State law and Bond Counsel’s opinions concerning certain federal tax matters relating to the Bonds, are accurate, as of the date of the Official Statement and as of the date hereof.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. We call attention to the fact that the rights and obligations under the Purchase Contract, the Indenture, the Continuing Disclosure Certificate (collectively, the “District Documents”) and the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the District Documents, the Bonds or any document referenced in the Official Statement, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the District Documents or the Bonds or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets under the District Documents or the Bonds. Our services as Bond Counsel to the District did not involve the rendering of financial or other non-legal advice to you, the District or any other party to the transaction

This letter is limited to matters governed by the laws of the State of California and federal law, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. Except as expressly set forth in the Approving Opinion, we express no opinion regarding any tax consequences with respect to the Bonds. We have not been engaged, nor have we undertaken, to advise any party or to opine as to any matters not specifically covered herein, including, but not limited to, matters relating to compliance with any securities laws.

This opinion letter may be relied upon only by you and may not be circulated, quoted from or relied upon by any other party without our prior written consent. This letter is being furnished to you solely for your benefit in connection with your purchase of the Bonds and is not to be used, circulated, quoted or otherwise referred to for any other purpose without our prior written consent. No attorney-client relationship has existed or exists between our firm and you in connection with the issuance of the Bonds or by virtue of this letter. We note you were represented by separate counsel retained by you in connection with the transaction described in the Official Statement.

Our engagement with respect to the Bonds terminates as of the date hereof, and we have not undertaken any duty, and expressly disclaim any responsibility, to advise you as to events occurring after the date hereof with respect to the Bonds or other matters discussed in the Official Statement. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not addressed other than you.

Respectfully submitted,

EXHIBIT B

FORM OF DISTRICT COUNSEL OPINION

Bartkiewicz, Kronick & Shanahan, as general counsel to the District, proposes to deliver an opinion in substantially the following form upon the initial issuance of the Series 2022B Bonds.

_____, 2022

Citigroup Global Markets Inc.
300 South Grand Avenue, Suite 3110
Los Angeles, CA 90071

Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, California 95821

*Re: \$ _____ Sacramento Suburban Water District
 Refunding Revenue Bonds, Series 2022B (Taxable)*

Ladies and Gentlemen:

We have acted as counsel to the Sacramento Suburban Water District (the “District”) in connection with the execution and delivery by the District of that certain Indenture of Trust, dated as of March 1, 2022, by and between U.S. Bank Trust Company, National Association, as Trustee and the District (the “Indenture”), in connection with proceedings relative to the issuance of \$ _____ aggregate principal amount of Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022B (Taxable), (the “Bonds”).

The Indenture, the Purchase Contract, dated _____, 2022, by and between the District and Citigroup Global Markets Inc. (“the Purchase Contract”), the Bonds and the Continuing Disclosure Certificate of the District, are collectively referred to herein as the “District Documents.” Capitalized terms used herein, not otherwise defined, will have the same meaning given to such terms in the Indenture.

In rendering this opinion, we have examined originals or copies satisfactory to us of all public records, agreements, certificates and other documents that we have deemed relevant and necessary as a basis for the opinions hereinafter expressed. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity with the original documents of all documents submitted to us as copies.

As to questions of fact material to our opinion, we have relied upon certifications of public officials furnished to us without undertaking to verify the same by independent investigations.

We are admitted to the practice of law only in the State of California and do not express any opinion as to the laws of any other state or jurisdiction (including federal law and regulations). We are not opining as to the validity or enforceability of the Indenture or the Bonds or as to the tax status of interest payable on the Bonds, which such opinions are being delivered separately by Stradling Yocca Carlson & Rauth, a Professional Corporation, as bond counsel.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, it is our opinion that:

(A) The District is a county water district duly organized and validly existing under the Constitution and the laws of the State, and has all the necessary power and authority to enter into and perform its duties under the District Documents.

(B) The resolution authorizing the District Documents has been duly adopted or ratified by the District.

(C) Each of the District Documents has been duly authorized, executed and delivered by the District and each constitutes a legal, valid, binding and enforceable obligation of the District.

(D) The execution and delivery of the District Documents by the District and compliance by the District with the provisions thereof, will not conflict with, or constitute or with the giving of notice or the passage of time would constitute, a breach of or default under any existing law or administrative rule or regulation, or, to the best knowledge of such counsel, any court order or decree, or any agreement, contract or other instrument to which the District is a party or is otherwise subject or bound.

(E) Because the primary purpose of such counsel's professional engagement was not to establish factual matters and because of the wholly or partially non-legal character of many determinations involved in the preparation of the Preliminary Official Statement and the Official Statement, such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement and the Official Statement and makes no representation that it has independently verified the accuracy, completeness or fairness of any such statements. However, in such counsel's capacity as general counsel for the District, such counsel advises that no information has come to its attention to lead it to believe that, as of its date the Preliminary Official Statement, and as of the date hereof and as of the Closing Date, the Official Statement (excluding therefrom all reports, financial and statistical data and forecasts therein, and the appendices thereto, and the information contained under the caption "UNDERWRITING," and "CONTINUING DISCLOSURE UNDERTAKING" (as to which such counsel expresses no opinion)) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(F) Except as otherwise disclosed in the Official Statement, there is no litigation, proceeding, action, suit, or investigation (or any basis therefor) at law or in equity before or by any court, governmental agency or body, pending or, to such counsel's best knowledge, threatened, against the District challenging the creation, organization or existence of the District, or the validity of the District Documents or seeking to restrain or enjoin the payment of debt service on the Series 2022B Bonds or in any way contesting or affecting the validity of the District Documents or any of the transactions referred to therein or contemplated thereby or contesting in any way the completeness or

accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, or contesting the authority of the District to enter into or perform its obligations under any of the District Documents, or under which a determination adverse to the District would have a material adverse effect upon the financial condition or the revenues of the District, or which, in any manner, questions or affects the right or ability of the District to enter into the District Documents or affects in any manner the right or ability of the District to pay debt service on the Series 2022B Bonds.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the District Documents, the Bonds or any document referenced in the Official Statement, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the District Documents or the Bonds or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets under the District Documents or the Bonds. Our services as District Counsel did not involve the rendering of financial or other non-legal advice to you, the District or any other party to the transaction.

We are furnishing this opinion to you at your request and solely for your benefit, and we are not assuming any professional responsibility to any other person whomsoever. This opinion is not to be relied on, used, circulated, quoted or otherwise referred to for any other purpose by any other entity or person without our prior written consent.

The information in this letter is effective as of the date set forth above and is based on the law and our actual knowledge of the facts at that time. We disclaim any duty to advise you of legal or factual changes which thereafter may be brought to our attention.

Respectfully submitted,

EXHIBIT C

FORM OF DISCLOSURE COUNSEL NEGATIVE ASSURANCE LETTER

Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel to the District, proposes to deliver a negative assurance letter in substantially the following form on the Closing Date/upon the initial issuance of the Series 2022B Bonds, as applicable.

_____, 2022

Citigroup Global Markets Inc.
300 South Grand Avenue, Suite 3110
Los Angeles, CA 90071

*Re: \$ _____ Sacramento Suburban Water District
 Refunding Revenue Bonds, Series 2022B (Taxable)*

Ladies and Gentlemen:

We have acted as disclosure counsel to Sacramento Suburban Water District (the “District”) in connection with the issuance of the above-referenced bonds (the “Bonds”). The Bonds are being purchased by you, as underwriter of the Bonds. All capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Official Statement.

In rendering the advice contained herein, we have examined originals or copies certified or otherwise identified to our satisfaction of: (i) the Indenture of Trust (the “Indenture”), dated as of March 1, 2022, by and between the District and U.S. Bank Trust Company, National Association, as trustee; (ii) the Preliminary Official Statement, dated _____, 2022 (the “Preliminary Official Statement”) relating to the Bonds; (iii) the Official Statement, dated _____, 2022 (the “Official Statement”) relating to the Bonds; (iv) Resolution No. 22-__ of the Board of Directors (the “Board”) of the District adopted on _____, 2022; (v) the letters, certificates and opinions delivered to you in connection with the sale of the Bonds; and (vi) the minutes of the Board for the period January 1, 2021 through [August 2, 2021]. We do not assume any responsibility for any electronic versions of the Preliminary Official Statement and the Official Statement and assume that any such version is identical in all respects to the version printed at closing for the transcript for the Bonds.

The conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform you or any other person, whether any such actions are taken or omitted or whether such events do occur or any other matters come to our attention after the date hereof. We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto and that all representations made in the documents that we have reviewed are true and accurate. We have assumed, without independent verification, the accuracy of the factual matters represented, warranted or certified in the

documents, and of the legal conclusions contained in any opinions referenced in the Preliminary Official Statement and the Official Statement.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in any document referenced in the Preliminary Official Statement or the Official Statement, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets under the Indenture. Our services as disclosure counsel to the District did not involve the rendering of financial or other non-legal advice to you, the District, or any other party to the transaction.

Although we have not undertaken to determine independently or verify and are not passing upon and do not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, and are therefore unable to make any representation to you in that regard, we have participated in conferences prior to the date of the Official Statement with your representatives, Gilmore & Bell P.C., your counsel, and representatives of the District, including the District's General Counsel and the District's municipal advisor, Fieldman, Rolapp & Associates, Inc., and others, during which conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. Based upon the information made available to us in the course of our participation in such conferences as disclosure counsel to the District, our review of the documents referred to above, our reliance on the oral and written statements of the District and others, the documents, certificates, instructions and records and the opinions of counsel described above and our understanding of applicable law, and subject to the limitations on our role as disclosure counsel to the District, we advise you as a matter of fact but not opinion that no information has come to the attention of the attorneys in the firm performing services for the District as disclosure counsel on this matter which caused us to believe that: (a) the Preliminary Official Statement as of its dated or as of _____, 2022 contained any untrue statement of a material fact, or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect, and (b) the Official Statement as of its date contained, or as of the date hereof contains, any untrue statement of a material fact, or as of its date omitted, or as of the date hereof omits, to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect (except that with respect to the Preliminary Official Statement and the Official Statement, we express no view with respect to: (i) the expressions of opinion, the assumptions, the projections, estimates and forecasts, the charts, the financial statements or other financial, numerical, economic, demographic or statistical data, or assessed valuations contained therein; (ii) any CUSIP numbers or information relating thereto; (iii) any information with respect to The Depository Trust Company and its book-entry system; (iv) any information contained in the appendices thereto; (v) any information incorporated by reference therein; (vi) the District's compliance with their obligations to provide notice of the events described in part (b)(5)(i)(C) of Rule 15c2-12 promulgated under the Securities Act of 1934 ("Rule 15c2-12") or to file annual reports described in part (b)(5)(i)(A) of Rule 15c2-12, review of which matters we understand has been undertaken by Digital Assurance Certification L.L.C.; (vii) any information with respect to the underwriter or underwriting matters with respect to the Bonds, including but not limited to information under the caption "UNDERWRITING"; and (viii) any information with respect to the ratings on the Bonds and the rating agencies referenced therein,

including but not limited to information under the caption “RATINGS”. Finally, we advise you that, other than reviewing the various certificates and opinions dated the date hereof executed in connection with the issuance of the Bonds, we have not taken any steps since the date of the Official Statement to verify the accuracy of the respective statements contained in the Official Statement as of the date hereof. No responsibility is undertaken or opinion rendered with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by, or incorporated by reference in, the Preliminary Official Statement and the Official Statement.

By acceptance of this letter you recognize and acknowledge that: (i) the negative assurance above is not an opinion and is based on certain limited activities performed by specific attorneys in our firm in our role as disclosure counsel to the District; (ii) the scope of the activities performed by such attorneys in our role as disclosure counsel to the District and for purposes of delivering such negative assurances were inherently limited and do not purport to encompass all activities necessary for compliance by you or others in accordance with applicable state and federal securities laws; and (iii) the activities performed by such attorneys in our role as disclosure counsel to the District rely in part by representations, warranties, certifications and opinions of other parties to the transaction, including representations, warranties and certifications made by the District.

This letter is being furnished to you solely for your benefit in connection with your purchase of the Bonds and is not to be used, circulated, quoted or otherwise referred to for any other purpose without our prior written consent. No attorney-client relationship has existed or exists between our firm and you in connection with the issuance of the Bonds or by virtue of this letter. We note you were represented by separate counsel retained by you in connection with the transaction described in the Official Statement. This letter is limited to matters governed by the laws of the State of California and federal securities laws, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

Our engagement as disclosure counsel to the District terminates as of the date hereof, and we have not undertaken any duty, and expressly disclaim any responsibility, to advise you as to events occurring after the date hereof with respect to the Bonds or other matters discussed in the Preliminary Official Statement and the Official Statement. This letter is not intended to, and may not, be relied upon by owners of the Bonds, the owners of any beneficial ownership interest in the Bonds or by any other party to whom it is not addressed.

EXHIBIT D

FORM OF DEFEASANCE OPINION

Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel to the District, proposes to deliver an opinion in substantially the following form on the Closing Date/upon the initial issuance of the Bonds, as applicable.

_____, 2022

Citigroup Global Markets Inc.
300 South Grand Avenue, Suite 3110
Los Angeles, CA 90071

*Re: \$ _____ Sacramento Suburban Water District
 Refunding Revenue Bonds, Series 2022B (Taxable)*

Ladies and Gentlemen:

We have acted as Bond Counsel to the Sacramento Suburban Water District (the “District”) in connection with the issuance of the \$ _____ aggregate principal amount of Refunding Revenue Bonds, Series 2022B (Taxable), dated _____, 2022 (the “Bonds”). The Bonds have been issued pursuant to the terms of the Indenture of Trust, dated as of March 1, 2022 (the “Indenture”), by and between the District and the Trustee. Capitalized terms used herein and not defined shall have the meanings given to such terms in the Indenture.

Pursuant to the Indenture, the District has deposited a portion of the proceeds of the Bonds in the Bond Proceeds Fund established under the Indenture with the Trustee, and the Trustee has transferred such proceeds to the 2012A Trustee to effect the defeasance of the outstanding Sacramento Suburban Water District Refunding Revenue Bonds, Series 2012A maturing on and after November 1, 2022 (the “Refunded 2012A Bonds”). The Refunded 2012A Bonds were originally issued under an Indenture of Trust, dated as of February 1, 2012 (the “2012 Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as successor trustee to MUFG Union Bank, N.A.

In accordance with the provisions of the 2012A Indenture and subject to the assumptions set forth herein:

(i) the obligations created by the 2012A Indenture with respect to the Refunded 2012A Bonds have ceased, terminated, and become void except as expressly set forth in the 2012A Indenture.

In rendering the opinions set forth above, we have relied upon the report of Robert Thomas CPA, LLC, dated _____, 2022 and the correctness of the assumptions recited therein to the effect that amounts transferred to the 2012A Trustee will be sufficient to refund the Refunded 2012A Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. This letter is limited to matters governed by the laws of the State of California, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. We call attention to the fact that the rights and obligations under the Indenture, the 2012A Indenture, the Refunded 2012A Bonds and the Bonds 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, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California.

By delivering this opinion, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the Indenture or the 2012A Indenture nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Indenture or the 2012A Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on any assets thereunder.

This letter is being furnished to you solely for your benefit in connection with the issuance of the Bonds and is not to be used, circulated, quoted or otherwise referred to for any other purpose without our prior written consent. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter and we are not assuming any professional responsibility to any other person whomsoever.

Respectfully submitted,

EXHIBIT E

FORM OF PARITY CERTIFICATE

The District proposes to execute a parity certificate in substantially the following form in connection with the initial issuance of the Series 2022B Bonds.

\$ _____
**SACRAMENTO SUBURBAN WATER DISTRICT
REFUNDING REVENUE BONDS, SERIES 2022B (TAXABLE)**

PARITY CERTIFICATE

I, Daniel R. York, General Manager of the Sacramento Suburban Water District (the “District”), hereby certify that as of the date hereof, pursuant to Section 6.13 of the Indenture of Trust, dated as of March 1, 2018 (the “2018 Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as successor to MUFG Union Bank, N.A. (formerly Union Bank, N.A.), as trustee, (all capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the 2018 Indenture), that:

1. The Net Revenues as shown by the books of the District for the period beginning _____ 1, 2021 to _____, 202_, being a consecutive twelve calendar month period within the eighteen calendar month period prior to February 28, 2022, being the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of the Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022B (Taxable) (the “2022B Bonds”), are equal to at least 115% of the Debt Service for such consecutive twelve month period, as evidenced by the calculations shown below and a special report prepared by an Independent Municipal Consultant attached hereto as Exhibit A:

	/ _____ /
Revenues	\$
Operation and Maintenance Costs	_____
NET REVENUES	\$
DEBT SERVICE	\$
COVERAGE	%

2. The Net Revenues as shown by the books of the District for the period beginning _____ 1, 2021 to _____, 202_, being a consecutive twelve calendar month period within the eighteen calendar month period preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of the 2022B Bonds, including adjustments to give effect as of the first day of such consecutive twelve month period to increases or decreases in rates and charges for the Water Service approved and in effect as of the date of calculation, are equal to at least 115% of the Debt Service for such consecutive twelve month period, plus the Debt Service which would have accrued had the 2022B Bonds been issued at the beginning of such consecutive twelve month period, as evidenced by the calculation shown below and a special report prepared by an Independent Municipal Consultant attached hereto as Exhibit A:

	[_____]
Revenues	\$
Operation and Maintenance Costs	_____
NET REVENUES	\$
DEBT SERVICE	\$
COVERAGE	%

3. The estimated Net Revenues for the Fiscal Year ending June 30, 2022 and for each Fiscal Year thereafter to and including the Fiscal Year ending June 30, 20__, being the current Fiscal Year and the first complete Fiscal Year after the latest Date of Operation of any uncompleted Project, including (after giving effect to the completion of all such uncompleted Projects) an allowance for estimated Net Revenues for each of such Fiscal Years arising from any increase in the income, rents, fees, rates and charges estimated to be fixed, prescribed or received for Water Service and which are economically feasible and reasonably considered necessary based on projected operations for such period, as evidenced by a certificate of the General Manager on file with the District, shall produce a sum equal to at least 115% of the estimated Debt Service for each of such Fiscal Years, after giving effect to the execution of all Contracts and the issuance of all Bonds estimated to be required to be executed or issued to pay the costs of completing all uncompleted Projects within such Fiscal Years, assuming that all such Contracts and Bonds have maturities, interest rates and proportionate principal repayment provisions similar to the Contract last executed or then being executed or the Bonds last issued or then being issued for the purpose of acquiring and constructing any of such uncompleted Projects.

[Remainder of Page Intentionally Left Blank]

Dated: _____, 2022

SACRAMENTO SUBURBAN WATER DISTRICT

By: _____
Its: General Manager

EXHIBIT A

REPORT OF INDEPENDENT MUNICIPAL CONSULTANT

I, Robert Porr of Fieldman, Rolapp & Associates, Inc., hereby certify that, pursuant to Section 6.13 of the Indenture of Trust, dated as of March 1, 2018 (the “2018 Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as successor to MUFG Union Bank, N.A. (formerly Union Bank, N.A.), as trustee, we as a qualified Independent Municipal Consultant, are providing the following report and confirm as of the date hereof the calculations set forth below (all capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the 2018 Indenture), that:

- (1) The Net Revenues as shown by the books of the District for the period beginning _____ 1, 2021 to _____, 202_, being a consecutive twelve calendar month period within the eighteen calendar month period prior to February 28, 2022, being the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of the Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022B (Taxable) (the “2022B Bonds”), are equal to at least 115% of the Debt Service for such consecutive twelve month period, as shown below.

	/ _____ /
Revenues	\$
Operation and Maintenance Costs	_____
NET REVENUES	\$
DEBT SERVICE	\$
COVERAGE	%

- (2) The Net Revenues as shown by the books of the District for the period beginning _____ 1, 2021 to _____, 202_, being a consecutive twelve calendar month period within the eighteen calendar month period preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of issuance of the 2022B Bonds, including adjustments to give effect as of the first day of such consecutive twelve month period to increases or decreases in rates and charges for the Water Service approved and in effect as of the date of calculation, are equal to at least 115% of the Debt Service for such consecutive twelve month period, plus the Debt Service which would have accrued had the 2022B Bonds been issued at the beginning of such consecutive twelve month period, as shown below.

	/ _____ /
Revenues	\$
Operation and Maintenance Costs	_____
NET REVENUES	\$
DEBT SERVICE	\$
COVERAGE	%

Dated: _____, 2022

FIELDMAN, ROLAPP & ASSOCIATES, INC.

By: _____
Robert Porr
Executive Vice President

EXHIBIT E
PRELIMINARY OFFICIAL STATEMENT

PRELIMINARY OFFICIAL STATEMENT DATED MARCH __, 2022

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: See the caption “RATINGS”

SACRAMENTO SUBURBAN WATER DISTRICT

\$ _____*
**REFUNDING REVENUE BONDS,
SERIES 2022A**

\$ _____*
**REFUNDING REVENUE BONDS
SERIES 2022B (TAXABLE)**

Dated: Date of Delivery

Due: As set forth on the inside front cover page

The 2022A Bonds are being issued to provide funds to (i) prepay the Sacramento Suburban Water District Adjustable Rate Refunding Revenue Certificates of Participation, Series 2009A and (ii) pay the costs of issuing the 2022A Bonds, all as more fully described herein. The 2022A Bonds are being issued pursuant to the Indenture of Trust, dated as of March 1, 2022, by and between the District and U.S. Bank Trust Company, National Association, as trustee. Interest on the 2022A Bonds is payable on May 1, 2022 and each November 1 and May 1 thereafter, until the maturity thereof.

The 2022A Bonds are subject to optional redemption and extraordinary redemption as more fully described herein.

The 2022B Bonds are being issued to provide funds to (i) advance refund a portion of the District’s Refunding Revenue Bonds, Series 2012A and (ii) pay the costs of issuing the 2022B Bonds, all as more fully described herein. The 2022B Bonds are being issued pursuant to the Indenture of Trust, dated as of March 1, 2022, by and between the District and U.S. Bank Trust Company, National Association, as trustee. Interest on the 2022B Bonds is payable on November 1, 2022 and each May 1 and November 1 thereafter, until the maturity thereof.

The 2022B Bonds are subject to optional redemption and extraordinary redemption as more fully described herein.

The 2022 Bonds are being issued in fully registered form, and when each of the 2022 Bonds are delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. DTC will act as securities depository for the 2022 Bonds. Purchasers of beneficial interests will not receive certificates representing their interest in the 2022 Bonds. So long as Cede & Co. is the registered owner of the 2022 Bonds, as nominee of DTC, references herein to the registered owners shall mean Cede & Co., as aforesaid, and shall not mean the beneficial owners of the 2022 Bonds. Individual purchases of the 2022 Bonds will be made in book-entry form only in authorized denominations of \$5,000 or any integral multiple thereof. The principal of and interest on the 2022 Bonds is payable directly to DTC by U.S. Bank Trust Company, National Association, as Trustee. Upon receipt of payments of principal and interest, DTC is obligated to remit such principal and interest to the DTC Participants for subsequent disbursement to the beneficial owners of the 2022 Bonds.

The obligations of the District to pay principal of and interest on the 2022 Bonds are special obligations of the District payable solely from Net Revenues. Net Revenues consist of Revenues, which are Water System Revenues remaining after payment of Operation and Maintenance Costs. **The obligations of the District to pay principal of and interest on the 2022 Bonds are irrevocable obligations of the District payable solely from Net Revenues but do not constitute obligations of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. The obligations of the District to pay principal of and interest on the 2022 Bonds do not constitute debt of the District, the State of California or any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.**

The obligations of the District to pay principal of and interest on the 2022 Bonds are payable from Net Revenues will be on a parity with the District’s 2018A Bonds, which are outstanding in the aggregate principal amount of approximately \$9,630,000, and the 2012A Bonds maturing on November 1, 2022, which are outstanding in the aggregate principal amount of \$2,405,000, as further described herein. The District may incur additional obligations payable from Net Revenues on a parity with the obligation to pay principal of and interest on the 2022 Bonds, subject to the terms and conditions of the 2022 Indentures, as more fully described herein.

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described in this Official Statement, interest (and original issue discount) on the Series 2022A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described in this Official Statement, interest (and original issue discount) on the Series 2022B Bonds is not excluded from gross income for federal income tax purposes. In the further opinion of Bond Counsel, interest (and original issue discount) on the 2022 Bonds is exempt from State of California personal income tax. See the caption “TAX MATTERS” with respect to tax consequences relating to the 2022A Bonds and 2022B Bonds.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS ARE ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. Capitalized terms used and not defined on the cover of this Official Statement have the meanings ascribed thereto in this Official Statement.

MATURITY SCHEDULES – See Inside Cover Page

The 2022 Bonds are offered when, as and if executed or issued and received by the Underwriter, subject to the approval as to the legality of certain matters by Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel and Disclosure Counsel, and certain other conditions. The Underwriter is being represented by its counsel, Gilmore & Bell, P.C. Certain legal matters will be passed upon for the District by Stradling Yocca Carlson & Rauth, a Professional Corporation, Disclosure Counsel, for the District and the Corporation by Bartkiewicz, Kronick & Shanahan, General Counsel and for the Trustee by its counsel. It is anticipated that the 2022 Bonds will be available for delivery through the facilities of The Depository Trust Company on or about March __, 2022.

CITIGROUP

Dated: March __, 2022

* Preliminary, subject to change

4857-4385-8702v4/024458-0016

MATURITY SCHEDULES

\$ _____*
**SACRAMENTO SUBURBAN WATER DISTRICT
REFUNDING REVENUE BONDS, SERIES 2022A**

<i>Maturity Date (November 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>
	\$	%	%	

\$ _____*
**SACRAMENTO SUBURBAN WATER DISTRICT
REFUNDING REVENUE BONDS, SERIES 2022B (TAXABLE)**

<i>Maturity Date (November 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>
	\$	%	%	

* Preliminary, subject to change.

No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering made hereby and, if given or made, such other information or representations must not be relied upon as having been authorized by the District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2022 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the 2022 Bonds. Statements contained in this Official 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 a representation of facts.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

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

The information set forth herein has been obtained from official 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 Underwriter. The information and expression of opinions herein are subject to change without notice and neither delivery of this Official 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 UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2022 BONDS AT A LEVEL THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE 2022 BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

CERTAIN STATEMENTS CONTAINED IN THIS OFFICIAL 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 OFFICIAL STATEMENT.

THE 2022 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE 2022 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

The District maintains a website. The information presented on the District’s website is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2022 Bonds.

References to web site addresses other than the District’s website presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission.

**SACRAMENTO SUBURBAN WATER DISTRICT
BOARD OF DIRECTORS**

Craig M. Locke, President
David A. Jones, Vice President
Jay N. Boatwright, Director
Kevin M. Thomas, Director
Robert P. Wichert, Director

DISTRICT STAFF

Daniel R. York, General Manager
Jeffery S. Ott, Director of Finance and Administration

SPECIAL SERVICES

General Counsel

Bartkiewicz, Kronick & Shanahan
Sacramento, California

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth, a Professional Corporation
Sacramento, California

Trustee

U.S. Bank Trust Company, National Association
San Francisco, California

Municipal Advisor

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Verification Agent

Robert Thomas CPA, LLC
Minneapolis, Minnesota

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SUMMARY STATEMENT

This summary is subject in all respects to the more complete information contained in this Official Statement, and the offering of the 2022 Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used and not otherwise defined in this Summary Statement have the meanings ascribed to them in this Official Statement.

The 2022A Bonds

Purpose. The 2022A Bonds are being issued to provide funds to (i) prepay the District's Adjustable Rate Refunding Revenue Certificates of Participation, Series 2009A and (ii) pay the costs of issuing the 2022A Bonds. See the caption "REFUNDING PLAN" herein.

Security for the 2022A Bonds. The obligation of the District to pay principal of and interest on the 2022A Bonds is a special obligation of the District payable solely from Net Revenues. Net Revenues consist of Revenues, which include all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Water System remaining after payment of Operation and Maintenance Costs.

The 2022A Bonds are being issued pursuant to the Indenture of Trust, dated as of March 1, 2022, by and between the District and U.S. Bank Trust Company, National Association, as trustee. Notwithstanding anything in the 2022A Indenture or the 2022A Bonds, but subject to the priority of payment with respect to Operation and Maintenance Costs, the District shall not be required to advance any moneys derived from any source other than the Revenues, the Revenue Fund and other moneys pledged under the 2022A Indenture for any of the purposes mentioned in the 2022A Indenture, whether for the payment of the principal of or interest on the 2022A Bonds or for any other purpose of the 2022A Indenture. Nevertheless, the District may, but shall not be required to, advance for any of the purposes hereof any funds of the District which may be made available to it for such purposes.

The Refunding Plan. The District expects to cause the 2022A Trustee to transfer a portion of the proceeds of the 2022A Bonds to the 2009A Trustee for deposit under the 2009A Trust Agreement. The 2009A Trustee will draw upon the letter of credit securing the payment of principal and interest with respect to the 2009A Certificates to pay on or about March 16, 2022, a prepayment price equal to 100% of the principal amount of such 2009A Certificates, plus accrued interest to such date. The proceeds of the 2022A Bonds deposited under the 2009A Trust Agreement will be used on or about March 16, 2022, to pay the provider of the letter of credit.

No Reserve Fund. No Reserve Fund has been established or will be funded with respect to the 2022A Bonds.

Redemption. The 2022A Bonds are subject to optional redemption and extraordinary redemption as more fully described herein.

The 2022B Bonds

Purpose. The 2022B Bonds are being issued to provide funds to (i) advance refund the District's Refunding Revenue Bonds, Series 2012A maturing on and after November 1, 2023 and (ii) pay the costs of issuing the 2022B Bonds. See the caption "REFUNDING PLAN" herein

Security for the 2022B Bonds. The obligation of the District to pay principal of and interest on the 2022A Bonds is a special obligation of the District payable solely from Net Revenues. Net Revenues consist of Revenues, which include all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Water System remaining after payment of Operation and Maintenance Costs.

The 2022B Bonds are being issued pursuant to the Indenture of Trust, dated as of March 1, 2022, by and between the District and the Trustee. Notwithstanding anything in the 2022B Indenture or the 2022B Bonds, but subject to the priority of payment with respect to Operation and Maintenance Costs, the District shall not be required to advance any moneys derived from any source other than the Revenues, the Revenue Fund and other moneys pledged under the 2022B Indenture for any of the purposes mentioned in the 2022B Indenture, whether for the payment of the principal of or interest on the 2022B Bonds or for any other purpose of the 2022B Indenture. Nevertheless, the District may, but shall not be required to, advance for any of the purposes hereof any funds of the District which may be made available to it for such purposes.

The Refunding Plan. A portion of the proceeds of the 2022B Bonds will be transferred by the 2022B Trustee to the 2012A Trustee, which the 2012A Trustee will use to pay the regularly scheduled interest on the Refunded 2012A Bonds on November 1, 2022, when due and pay on November 1, 2022, the principal of the Refunded 2012A Bonds.

No Reserve Fund. No Reserve Fund has been established or will be funded with respect to the 2022B Bonds.

Redemption. The 2022B Bonds are subject to optional redemption and extraordinary redemption as more fully described herein.

Rate Covenant

The 2022 Indentures require the District, to the fullest extent permitted by law, fix and prescribe rates and charges for the Water Service, together with other Revenues, which are reasonably expected, on the first day of each Fiscal Year, to be at least sufficient to yield during such Fiscal Year Net Revenues equal to one hundred fifteen percent (115%) of the Debt Service for 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 are reasonably expected at all times to be sufficient to meet the requirements of the 2022 Indentures.

For avoidance of doubt, so long as the District has complied with its obligations above, the failure of Net Revenues to meet the threshold set forth above at the end of a Fiscal Year will not constitute a default or an Event of Default so long as the District has complied with the above obligation at the commencement of the succeeding Fiscal Year.

Additional Contracts and Bonds Test

The 2022 Indentures permit the District to execute any Contracts or issue any Bonds payable from Net Revenues on a parity with the obligation to pay principal of and interest on the 2022 Bonds, provided that certain conditions are satisfied as herein described.

Parity Obligations

Following the prepayment of the 2009A Certificates, the defeasance of the Refunded 2012A Bonds, the termination of the Sumitomo Credit Facility Agreement and the termination of the 2012 Swap Agreement, which are anticipated to occur on or about the date of initial delivery of the 2022 Bonds, the obligation of the District to pay principal of and interest on the 2022 Bonds will be payable from Net Revenues on a parity with payments of principal of and interest on the 2012A Bonds maturing on November 1, 2022, which are currently outstanding in the aggregate principal amount of \$2,405,000, and the Sacramento Suburban Water District Refunding Revenue Bonds, Series 2018A, which are currently outstanding in the aggregate principal amount of \$9,630,000.

The District

The District was formed on February 1, 2002 under the County Water District Law (California Water Code Sections 30000-33901) by the consolidation of the Northridge Water District and the Arcade Water District. The consolidation was approved and ordered by the Sacramento County Local Agency Formation Commission under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Sections 56000-57550).

The District is located in Sacramento County, north of the American River and serves a large suburban area including portions of the Cities of Citrus Heights and Sacramento, and the unincorporated communities of Carmichael, North Highlands, and Antelope, as well as McClellan Business Park (formerly McClellan Air Force Base). The District serves water to a population of approximately 184,385 through approximately 47,102 connections.

The water supply of the District is a combination of both groundwater and surface water. The District pumps groundwater from 70 active wells, which are capable of producing 100% of the annual District water usage. The wells of the District are located in the North American Groundwater Basin north of the American River. Two of the wells have been temporarily taken offline following the detection of Perfluoroalkyl substances in excess of the notification levels established by the State Water Resources Control Board's Division of Drinking Water. See the caption "INFORMATION RELATING TO THE SACRAMENTO SUBURBAN WATER DISTRICT—Water Supply—*PFAS*" in Appendix A. In addition to groundwater, the District currently purchases surface water from Placer County Water Agency supplied from the American River and delivered to Folsom Reservoir and surface water supplied from the Folsom Reservoir from the San Juan Water District. See the captions "INFORMATION RELATING TO THE SACRAMENTO SUBURBAN WATER DISTRICT—Water Supply—*Surface Water*," "*—Water Supply—PCWA Water Supply Agreement*" and "*—Water Supply—San Juan Water Supply Agreement*" in Appendix A. The PCWA Water and SJWD Water is treated by San Juan pursuant to contract (see the caption "INFORMATION RELATING TO THE SACRAMENTO SUBURBAN WATER DISTRICT—Water Supply—*San Juan Agreement*" in Appendix A) and then conveyed through District-owned transmission pipelines or pipeline capacity into the District's water distribution system in the north service area of the District. The District also receives American River water purchased pursuant to a contract with the City of Sacramento. The Sacramento Water is diverted and treated by the City of Sacramento at its E.A. Fairbairn Water Treatment Plant and conveyed through District-owned pipeline capacity for distribution to District customers in the south service area of the District.

SACRAMENTO SUBURBAN WATER DISTRICT

\$ _____ *
REFUNDING REVENUE BONDS,
SERIES 2022A

\$ _____ *
REFUNDING REVENUE BONDS
SERIES 2022B (TAXABLE)

INTRODUCTION

General

This Official Statement, including the cover page, the inside cover page and all appendices hereto, provides certain information concerning the sale and delivery of the Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022A (the “2022A Bonds”) and Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022B (Taxable) (the “2022B Bonds,” and together with the 2022A Bonds, the “2022 Bonds”).

Descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. Capitalized terms used and not otherwise defined herein with respect to the 2022 Bonds have the meanings ascribed to them in Appendix C.

The 2022A Bonds

General. The 2022A Bonds will be issued pursuant to an Indenture of Trust, dated as of March 1, 2022 (the “2022A Indenture”), by and between the District and U.S. Bank Trust Company, National Association (the “2022A Trustee”).

Purpose. The 2022A Bonds are being issued to provide funds to (i) prepay the District’s Adjustable Rate Refunding Revenue Certificates of Participation, Series 2009A (the “2009A Certificates”) and (ii) pay the costs of issuing the 2022A Bonds.

On the date of issuance of the 2022A Bonds, the Trustee will transfer a portion of the proceeds of the 2022A Bonds to the 2009A Trustee (as hereinafter defined) for deposit under that certain Trust Agreement, dated as of March 1, 2009 by and among the District, the Sacramento Suburban Water District Financing Corporation (the “Corporation”) and U.S. Bank Trust Company, National Association, as successor trustee to MUFG Union Bank, N.A., as trustee of the 2009A Certificates (the “2009A Trustee), to be applied in connection with the prepayment the 2009A Certificates, currently outstanding in the aggregate principal amount of \$42,000,000. See the captions “THE REFUNDING PLAN” and “ESTIMATED SOURCES AND USES OF FUNDS.”

No Reserve Fund. No Reserve Fund has been established or will be funded with respect to the 2022A Bonds.

Redemption. The 2022A Bonds are subject to optional redemption and extraordinary redemption as more fully described herein.

* Preliminary, subject to change

The 2022B Bonds

General. The 2022B Bonds will be issued pursuant to an Indenture of Trust, dated as of March 1, 2022 (the “2022B Indenture,” and together with the 2022A Indenture, the “2022 Indentures”), by and between the District and the U.S. Bank Trust Company, National Association (the “2022A Trustee”). The 2022A Trustee and the 2022B Trustee, at times, will be collectively referred to herein as the “Trustee.”

Purpose. The 2022B Bonds are being issued to provide funds to (i) advance refund the a portion of the District’s Refunding Revenue Bonds, Series 2012A (the “2012A Bonds”) and (ii) pay the costs of issuing the 2022B Bonds.

On the date of issuance of the 2022B Bonds, the Trustee will transfer a portion of the proceeds of the 2022B Bonds, to the 2012A Trustee (as hereinafter defined) for deposit in the redemption fund created pursuant to that certain Indenture of Trust, dated as of February 1, 2012, by and between the District and U.S. Bank Trust Company, National Association, as successor to MUFG Union Bank, N.A. (the “2012A Trustee”) as trustee, pursuant to which the 2012A Bonds were issued, to defease and redeem the 2012A Bonds maturing on and after November 1, 2023 (the “Refunded 2012A Bonds”), currently outstanding in the aggregate principal amount of \$6,265,000. See the captions “THE REFUNDING PLAN” and “ESTIMATED SOURCES AND USES OF FUNDS.”

No Reserve Fund. No Reserve Fund has been established or will be funded with respect to the 2022B Bonds.

Redemption. The 2022B Bonds are subject to optional redemption and extraordinary redemption as more fully described herein.

Security for 2022 Bonds

The 2022 Bonds are special obligations of the District payable solely from Net Revenues, which consist of Revenues remaining after payment of Operation and Maintenance Costs, as such terms are defined in Appendix C.

Parity Obligations

Following the prepayment of the 2009A Certificates, the defeasance of the 2012A Bonds, the termination of the Sumitomo Credit Facility Agreement and the termination of the 2012 Swap Agreement, which are anticipated to occur on or about the date of initial delivery of the 2022 Bonds, the obligation of the District to pay principal of and interest on the 2022 Bonds will be payable from Net Revenues on a parity with payments of principal of and interest on the 2012A Bonds maturing on November 1, 2022, which are currently outstanding in the aggregate principal amount of \$2,405,000, and the Sacramento Suburban Water District Refunding Revenue Bonds, Series 2018A (the “2018A Bond”), which are currently outstanding in the aggregate principal amount of \$9,630,000.

See the caption “INFORMATION RELATING TO THE SACRAMENTO SUBURBAN WATER DISTRICT—Outstanding Obligations” in Appendix A.

Rate Covenant

The 2022 Indentures require the District, to the fullest extent permitted by law, fix and prescribe rates and charges for the Water Service, together with other Revenues, which are reasonably expected, on the first day of each Fiscal Year, to be at least sufficient to yield during such Fiscal Year Net Revenues equal to one hundred fifteen percent (115%) of the Debt Service for 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 are reasonably expected at all times to be sufficient to meet the requirements of the 2022 Indentures.

For avoidance of doubt, so long as the District has complied with its obligations above, the failure of Net Revenues to meet the threshold set forth above at the end of a Fiscal Year will not constitute a default or an Event of Default so long as the District has complied with the above obligation at the commencement of the succeeding Fiscal Year.

Additional Contracts and Bonds Tests

The 2022 Indentures permit the District to execute any Contracts or issue any Bonds payable from Net Revenues on a parity with the obligation to pay principal of and interest on the 2022 Bonds, provided that certain conditions are satisfied as herein described. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2022 BONDS—Additional Indebtedness.”

Miscellaneous

The summaries and references to the 2022 Indentures and 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 the full 2022 Indentures, and each such document, statute, report or instrument, copies of which are available for inspection at the offices of the District in Sacramento, California and will be available from the Trustee upon request and payment of duplication cost. The District regularly prepares a variety of reports, including audits, budgets and related documents. Any 2022 Bond Owner may obtain a copy of such report, as available, from the Trustee or the District. Additional information regarding the Official Statement may be obtained by contacting the Trustee or Jeffrey S. Ott, Director of Finance and Administration, Sacramento Suburban Water District, 3701 Marconi Avenue, Sacramento, California 95821, Telephone: (916) 972-7171.

Unless otherwise indicated, all financial and statistical information herein has been provided by the District.

Continuing Disclosure

The District has covenanted in Continuing Disclosure Certificates for the benefit of the holders and beneficial owners of the 2022 Bonds to provide certain financial information and operating data relating to the District by not later 270 days following the end of its Fiscal Year (commencing with Fiscal Year 2022), and to provide notices of the occurrence of certain enumerated events. The Annual Reports and the notices of enumerated events will be filed by the District with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system. The specific nature of the information to be contained in the Annual Reports and the notice of enumerated events is set forth hereto in Appendix G—“FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE 2022 BONDS”. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934.

For a discussion of the District’s compliance with prior continuing disclosure undertakings, see the caption “CONTINUING DISCLOSURE UNDERTAKING.”

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words. Such

forward-looking statements include, but are not limited to, certain statements contained in the information under the captions “INFORMATION RELATING TO THE SACRAMENTO SUBURBAN WATER DISTRICT—Future Water System Improvements,” “—Projected Water Connections,” “—Projected Water Deliveries,” “—Projected Water Sales Revenues” and “WATER SYSTEM FINANCIAL INFORMATION” in Appendix A.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

REFUNDING PLAN

The 2022A Bonds are being issued to prepay the District’s 2009A Certificates and the 2022B Bonds are being issued to advance refund the Refunded 2012A Bonds.

2009A Certificates. A portion of the proceeds of the 2022A Bonds will be used to prepay all of the outstanding 2009A Certificates, which are currently outstanding in the aggregate principal amount of \$42,000,000. The District previously executed and delivered the 2009A Certificates pursuant to Trust Agreement, dated as of March 1, 2009 by and among the District, the Corporation and the 2009A Trustee (the “2009A Trust Agreement”). The 2009A Certificates were executed and delivered to provide funds to refinance a portion of the cost of certain capital improvements of the District. The payment of the principal and interest with respect to the 2009A Certificates is secured by a direct-pay letter of credit (the “SMBC Letter of Credit”) issued by Sumitomo Mitsui Banking Corporation (“SMBC”) pursuant to and subject to the terms of a Reimbursement Agreement, dated as of March 1, 2009, as amended (the “Sumitomo Credit Facility Agreement”), by and between the District and SMBC.

The District will cause the Trustee to transfer a portion of the proceeds of the 2022A Bonds to the 2009A Trustee for deposit under the 2009A Trust Agreement. The prepayment of the 2009A Certificates will be effected by drawing on the letter of credit securing the payment of principal and interest with respect to the 2009A Certificates on or about the March 16, 2022 (the “Prepayment Date”) in an amount sufficient to prepay the 2009A Certificates on the Prepayment Date, at a prepayment price equal to 100% of the principal amount of such 2009A Certificates, plus accrued interest to the Prepayment Date. The proceeds of the 2022A Bonds deposited under the 2009A Trust Agreement will be used on the Prepayment Date to reimburse SMBC, in its capacity as the credit provider for the 2009A Certificates, for the draw made under the letter of credit. Upon such application, following the Prepayment Date, no 2009A Certificates will remain outstanding and the SMBC Letter of Credit securing the payment of such 2009A Certificates and the Sumitomo Credit Facility Agreement will terminate by their respective terms.

A portion of the 2009A Certificates is hedged by a certain Swap Agreement, dated as of April 12, 2005, with Citibank, N.A, which, in 2012, the obligations of Citibank, N.A. thereunder were novated to Wells Fargo Bank, N.A., pursuant to the terms of an ISDA Master Agreement, the Schedule to the Master Agreement and the Credit Support Annex, each by and between the District and Wells Fargo Bank, N.A., each dated April 11, 2012 (collectively, the “2012 Swap Agreement”). In connection with the prepayment of the 2009A Certificates, the District plans to terminate the 2012 Swap Agreement and expects to make a termination payment of approximately \$[5,700,000] to Wells Fargo Bank, N.A. in connection with the termination of the 2012 Swap Agreement. The District projects making the termination payment on or about March 8, 2022, and expects to make such termination payment from District reserves.

Refunded 2012A Bonds. A portion of the proceeds of the 2022B Bonds will be used to defease the outstanding Refunded 2012A Bonds, which are currently outstanding in the aggregate principal amount of \$6,265,000. The District previously issued the 2012A Bonds pursuant to an Indenture of Trust, dated as of February 1, 2012 (the “2012A Indenture”) by and between the District and the 2012A Trustee. The 2012A Bonds were issued to refund certain outstanding obligations of the District and pay a partial swap termination payment.

A portion of the proceeds of the 2022B Bonds will be used to redeem the outstanding Refunded 2012A Bonds. The District will cause the Trustee to transfer a portion of the proceeds of the 2022B Bonds to the 2012A Trustee for deposit in the redemption fund established under the 2012A Indenture, and, pursuant to the 2012A Indenture, the 2012A Trustee, from the proceeds of the 2022B Bonds, will pay the regularly scheduled interest on the Refunded 2012A Bonds on November 1, 2022 (the “Redemption Date”) when due and pay on the Redemption Date the principal of the Refunded 2012A Bonds, without premium.

Verification. Sufficiency of the deposits in the redemption fund established under the 2012A Indenture with respect to the Refunded 2012A Bonds will be verified by Robert Thomas CPA, LLC (the “Verification Agent”). Assuming the accuracy of such computations, as a result of the deposit and application of funds as provided above, as of the date of issuance of the 2022B Bonds, the Refunded 2012A Bonds will be defeased pursuant to the provisions of the 2012A Indenture.

The Verification Agent will also deliver to the District, on or before the delivery date of the 2022B Bonds, its verification report indicating that it has verified, in accordance with attestation standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of the mathematical computations of the adequacy of the cash, when deposited into the redemption fund, to pay, when due, interest on and the redemption price of the Refunded 2012A Bonds on the Redemption Date.

The verifications described above to be performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by Citigroup Global Markets Inc., as the Underwriter of the 2022A Bonds and 2022B Bonds. The Verification Agent has restricted its procedures to recalculating the computations provided by Citigroup Global Markets Inc. and has not evaluated or examined the assumptions or information used in the computations.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds:

Sources:	2022A Bonds	2022B Bonds
Principal Amount	\$	\$
Plus Original Issue Premium		
[District Contribution]		
Total Sources	<u>\$</u>	<u>\$</u>

Uses:

- Transfer to 2009A Trustee
- Transfer to 2012A Trustee
- Underwriter’s Discount
- Deposit to Costs of Issuance Funds⁽²⁾
- Total Uses

⁽¹⁾ Includes fees for the Trustee, Bond Counsel, Verification Agent, Municipal Advisor’s fees, legal fees, printing costs, rating agency fees, underwriter’s discount and other costs of delivery.

THE 2022 BONDS

General Provisions

The 2022A Bonds will be issued in the aggregate principal amount of \$ _____* and the 2022B Bonds will be issued in the aggregate principal amount of \$ _____. Each 2022 Bond will be dated the respective dates of initial delivery, will bear interest from such dates at the rates per annum set forth on the inside cover page hereof, payable with respect to the 2022A Bonds, on May 1, 2022, and each November 1, and May 1 thereafter and with respect to the 2022B Bonds, on November 1, 2022, and each May 1 and November 1 thereafter (each, an “Interest Payment Date”), and will mature on the dates set forth on the inside cover page hereof. Interest on the 2022 Bonds will be computed on the basis of a 360 day year of twelve 30-day months.

The 2022 Bonds will be issued only in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the 2022 Bonds. Ownership interests in the 2022 Bonds may be purchased in book-entry form, in denominations of \$5,000 or any integral multiple thereof. See the caption “—Book-Entry Only System” below and Appendix F attached hereto.

In the event that the book-entry only system described below is discontinued, the principal of and redemption premium (if any) on the 2022 Bonds are payable by check of the Trustee upon presentation and surrender thereof at maturity or upon prior redemption in Los Angeles, California (the “Office of the Trustee”). Interest on the 2022 Bonds is payable on each Interest Payment Date to the person whose name appears on the registration books maintained by the Trustee (the “Registration Books”) as the Owner thereof as of the Record Date, such interest to be paid by check of the Trustee sent by first class mail on the applicable interest payment date to the Owner at the address of such Owner as it appears on the Registration Books (except that in the case of an Owner of one million dollars (\$1,000,000) or more in principal amount, such payment may, at such Owner’s option, be made by wire transfer of immediately available funds to an account in the United States in accordance with written instructions provided to the Trustee by such Owner prior to the Record Date). Principal of and premium (if any) on any 2022 Bond shall be paid by check of the Trustee upon presentation and surrender thereof at maturity or upon the prior redemption thereof, at the Office of the Trustee. Both the principal of and interest and premium (if any) on the 2022 Bonds shall be payable in lawful money of the United States of America.

Each 2022 Bond will be dated the date of initial delivery, and will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless: (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it will bear interest from such Interest Payment Date; or (b) unless it is authenticated on or before October 15, 2022, in which event it will bear interest from the date of initial delivery; provided, however, that if, as of the date of authentication of any 2022 Bond, interest thereon is in default, such 2022 Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Book-Entry Only System

One fully-registered 2022 Bond of each maturity will be issued in the principal amount of the 2022 Bonds of such maturity. Such 2022 Bond will be registered in the name of Cede & Co. and will be deposited with DTC.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the 2022 Bonds will be printed and delivered and will be

* Preliminary, subject to change.

governed by the provisions of the 2022 Indentures with respect to payment of principal 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 of principal of and interest on the 2022 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 Official Statement. See Appendix F hereto for additional information concerning DTC.

Redemption of the 2022 Bonds

Optional Redemption of 2022A Bonds. The 2022A Bonds with stated maturities on or after November 1, 20__ will be subject to redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity as directed by the District in a Written Request provided to the Trustee at least 60 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000, on or after November 1, 20__, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

Extraordinary Redemption of 2022A Bonds. The 2022A Bonds will be subject to extraordinary redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity and within maturities as directed by the District in a Written Request provided to the Trustee at least 60 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000 from Net Proceeds, upon the terms and conditions of, and as provided for in the 2022A Indenture at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

Optional Redemption of 2022B Bonds. The 2022B Bonds with stated maturities on or after November 1, 20__ will be subject to redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity as directed by the District in a Written Request provided to the Trustee at least 60 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000, on or after November 1, 20__, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

Optional Redemption of the 2022B Bonds with Make-Whole Payment. The 2022B Bonds will be subject to redemption prior to November 1, 20__ at the option of the District, as a whole or in part on any Business Day in the order of maturity as directed by the District in a Written Request provided to the Trustee at least 30 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000, at the “Make-Whole Redemption Price.” The “Make-Whole Redemption Price,” as determined by the District, is the greater of (1) 100% of the principal amount of the 2022B Bonds to be redeemed; or (2) the sum of the present value of the remaining scheduled payments of principal of and interest to the maturity date on the 2022B Bonds to be redeemed, not including any portion of those payments of interest thereon accrued and unpaid as of the date on which the 2022B Bonds are to be redeemed, discounted to the date on which the 2022B Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as such term is defined in Appendix C under the caption “DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS”) plus: (i) __ basis points with respect to the 2022B Bonds maturing on November 1, 20__ through November 1, 20__, inclusive; and (ii) __ basis points with respect to the 2022B Bonds maturing on November 1, 20__ through November 1, 20__, inclusive; plus, in each case, accrued and unpaid interest on the 2022B Bonds to be redeemed on the date of redemption.

Extraordinary Redemption of 2022B Bonds. The 2022B Bonds will be subject to extraordinary redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity and within maturities as directed by the District in a Written Request provided to the Trustee at least 60 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000 from Net Proceeds, upon the terms and conditions of, and as provided for in the 2022B Indenture at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

Notice of Redemption

Notice of redemption will be mailed by first class mail at least twenty (20) days but not more than sixty (60) days before any Redemption Date, to the respective Owners of any 2022 Bonds designated for redemption at their addresses appearing on the Registration Books, to the Securities Depositories and the Information Services; provided that, in the case of notice of optional redemption not related to an advance or current refunding, such notice may be given only if sufficient funds have been deposited with the Trustee to pay the applicable Redemption Price of the 2022 Bonds to be redeemed, provided that such notice may be cancelled by the District upon Written Request delivered to the Trustee not less than five (5) days prior to such Redemption Date. Each notice of redemption will state the date of notice, the Redemption Date, the place or places of redemption, the Redemption Price, will designate the maturities, CUSIP numbers, if any, and, if less than all 2022 Bonds of any such maturity are to be redeemed, the serial numbers of the 2022 Bonds of such maturity to be redeemed by giving the individual number of each 2022 Bond or by stating that all 2022 Bonds between two stated numbers, both inclusive, have been called for redemption and, in the case of 2022 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on the Redemption Date there will become due and payable on each of said 2022 Bonds or parts thereof designated for redemption the Redemption Price thereof or of said specified portion of the principal thereof in the case of a 2022 Bond to be redeemed in part only, together with interest accrued thereon to the Redemption Date, and that (provided that moneys for redemption have been deposited with the Trustee) from and after such Redemption Date interest thereon will cease to accrue, and shall require that such 2022 Bonds be then surrendered to the Trustee. Neither the failure to receive such notice nor any defect in the notice or the mailing thereof will affect the validity of the redemption of any 2022 Bond. Notice of redemption of 2022 Bonds shall be given by the Trustee, at the expense of the District, for and on behalf of the District.

With respect to any notice of optional redemption of 2022 Bonds, such notice may state that such redemption will be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such 2022 Bonds to be redeemed and that, if such moneys will not have been so received, said notice will be of no force and effect and the Trustee will not be required to redeem such 2022 Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made, and the Trustee will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

SACRAMENTO SUBURBAN WATER DISTRICT PAYMENT SCHEDULE

Set forth below is a schedule of payments of principal of and interest on the 2022A Bonds and 2022B Bonds and payments with respect to other District Contracts and Bonds due during the period ending December 31 in each of the years indicated:

<i>Year Ending December 31</i>	<i>Series 2022A Bonds</i>		<i>Total</i>	<i>Series 2022B Bonds⁽¹⁾</i>		<i>Total</i>	<i>District Contracts and Bonds⁽²⁾</i>	<i>Total</i>
	<i>Principal</i>	<i>Interest</i>		<i>Principal</i>	<i>Interest</i>			

Total

(Footnotes on following page)

⁽¹⁾ Contracts and Bonds include approximately \$ _____ aggregate principal amount in Bonds. See the captions “INTRODUCTION” above and “INFORMATION RELATING TO THE SACRAMENTO SUBURBAN WATER DISTRICT—Outstanding Obligations” in Appendix A.
Source: District.

SECURITY AND SOURCES OF PAYMENT FOR THE 2022 BONDS

Limited Obligations Payable From Net Revenues

The District is obligated to make payments of principal of and interest on the 2022 Bonds solely from Net Revenues of the District's Water System. The term "Net Revenues" means, for any Fiscal Year of the District (currently, the District's Fiscal Year commences on January 1 of each year), the Revenues of the Water System for such Fiscal Year less the Operation and Maintenance Costs of the Water System for such Fiscal Year. "Revenues" means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Water System, including, without limiting the generality of the foregoing: (1) all income, rents, rates, fees, charges or other moneys derived by the District from the sale, furnishing and supplying of the water or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Water System determined in accordance with Generally Accepted Accounting Principles; (2) the proceeds of any stand-by or water availability charges, development fees and connection charges collected by the District; and (3) the earnings on and income derived from the investment of amounts described in clauses (1) and (2) above and from District reserves; but excluding: (w) customers' deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District; (x) any proceeds of taxes or assessments restricted by law to be used by the District to pay bonds or other obligations previously or later issued; (y) grant revenues received by the District for activities unrelated to the Water System and to be passed through to other entities; and (z) revenues of any water system acquired through merger, consolidation or similar action to the extent that the exclusion of such acquired water system is required pursuant to the terms of such merger, consolidation or similar action (provided, however, that the exclusion from Revenues set forth in clause (z) does not apply if the District has executed and delivered Contracts or issued Bonds to finance the acquisition of or capital improvement to any such water system).

"Operation and Maintenance Costs" are defined in the Indenture to mean: (1) costs spent or incurred for maintenance and operation of the Water System calculated in accordance with Generally Accepted Accounting Principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Water System in good repair and working order, and including administrative costs of the District that are charged directly or apportioned to the Water System, including but not limited to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the District or charges (other than debt service payments) required to be paid by it to comply with the terms of the 2022 Bonds or of the 2022 Indentures or any Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds; and (2) costs spent or incurred in the purchase of water for the Water System (including fixed or variable costs); but excluding in all cases: (w) depreciation, replacement and obsolescence charges or reserves therefor; (x) losses on the disposal of capital assets; (y) payment of grants received by the District for activities unrelated to the Water System to other entities; and (z) amortization of intangibles and other non-cash operating expenses and other bookkeeping entries of a similar nature and all capital charges.

Following the prepayment of the 2009A Certificates, the defeasance of the Refunded 2012A Bonds, the termination of the Summito Credit Facility Agreement and the termination of the 2012 Swap Agreement, which are anticipated to occur on or about the date of initial delivery of the 2022 Bonds, the obligation of the District to pay principal of and interest on the 2022 Bonds will be payable from Net Revenues on a parity with payments of principal of and interest on the 2012A Bonds maturing on November 1, 2022, which are currently outstanding in the aggregate principal amount of \$2,405,000, and the 2018A Bonds, which are currently outstanding in the aggregate principal amount of \$9,630,000.

See Appendix C—"SUMMARY OF 2022 INDENTURES" for a detailed discussion of the terms of the 2022 Indentures. See the caption "INFORMATION RELATING TO THE SACRAMENTO SUBURBAN WATER DISTRICT—Outstanding Obligations" in Appendix A for a discussion of parity obligations.

THE OBLIGATION OF THE DISTRICT TO PAY PRINCIPAL OF AND INTEREST ON THE 2018A BONDS DOES NOT CONSTITUTE AN OBLIGATION OF THE DISTRICT FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE DISTRICT TO PAY PRINCIPAL OF AND INTEREST ON THE 2022 BONDS UNDER THE INDENTURE IS A SPECIAL OBLIGATION OF THE DISTRICT PAYABLE SOLELY FROM NET REVENUES, AND DOES NOT CONSTITUTE A DEBT OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR OF THE DISTRICT IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

Rate Covenants

The 2022 Indentures require the District, to the fullest extent permitted by law, fix and prescribe rates and charges for the Water Service, together with other Revenues, which are reasonably expected, on the first day of each Fiscal Year, to be at least sufficient to yield during such Fiscal Year Net Revenues equal to one hundred fifteen percent (115%) of the Debt Service for such Fiscal Year.

For avoidance of doubt, so long as the District has complied with its obligations set forth above, the failure of Net Revenues to meet the thresholds set forth above at the end of a Fiscal Year shall not constitute a default or an Event of Default so long as the District has complied with its obligations set forth above at the commencement of the succeeding 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 shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges are reasonably expected at all times to be sufficient to meet the requirements of the 2022 Indentures.

Additional Indebtedness

The 2022 Indentures do not authorize the issuance of bonds or other obligations secured by Revenues on a senior basis to Bonds and Contracts (including the 2022 Bonds). The District may at any time execute any Contract or issue any Bonds, as the case may be, in accordance with the 2022 Indentures; provided:

(i) The Net Revenues for any consecutive twelve calendar month period during the eighteen calendar month period preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Bonds or the date of the execution of such Contract, as the case may be, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred fifteen percent (115%) of the Debt Service for such twelve month period; and

(ii) The Net Revenues for any consecutive twelve calendar month period during the eighteen calendar month period preceding the date of the execution of such Contract or the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Bonds, as the case may be, including adjustments to give effect as of the first day of such twelve month period to increases or decreases in rates and charges for the Water Service approved and in effect as of the date of calculation, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred fifteen percent (115%) of the Debt Service for such twelve month period, plus the Debt Service which would have accrued on any Contracts executed or Bonds issued since the end of such twelve month period, assuming that such Contracts had been executed or Bonds had been issued at the beginning of such twelve month period, plus the Debt Service which would have accrued had such Contract been executed or Bonds been issued at the beginning of such twelve month period; and

(iii) The estimated Net Revenues for the then current Fiscal Year and for each Fiscal Year thereafter, to and including the first complete Fiscal Year after the latest Date of Operation of any uncompleted Project to be financed from proceeds of such Contracts or Bonds, as evidenced by a certificate of the General Manager on file with the District, including (after giving effect to the completion of all such uncompleted Projects) an allowance for estimated Net Revenues for each of such Fiscal Years arising from any increase in the income, rents, fees, rates and charges estimated to be fixed, prescribed or received for Water Service and which are economically feasible and reasonably considered necessary based on projected operations for such period, as evidenced by a certificate of the General Manager on file with the District, shall produce a sum equal to at least one hundred fifteen percent (115%) of the estimated Debt Service for each of such Fiscal Years, after giving effect to the execution of all Contracts and the issuance of all Bonds estimated to be required to be executed or issued to pay the costs of completing all uncompleted Projects within such Fiscal Years, assuming that all such Contracts and Bonds have maturities, interest rates and proportionate principal repayment provisions similar to the Contract last executed or then being executed or the Bonds last issued or then being issued for the purpose of acquiring and constructing any of such uncompleted Projects.

Notwithstanding the foregoing, Bonds issued or Contracts executed to refund Bonds or Contracts may be delivered without satisfying the conditions set forth above if Debt Service in each Fiscal Year after the Fiscal Year in which such Bonds are issued or Contracts executed is not greater than 110% of the Debt Service which would have been payable in each such Fiscal Year prior to the issuance of such Bonds or execution of such Contracts.

Notwithstanding satisfaction of the other conditions to the execution of any Contract or the issuance of Bonds set forth in the 2022 Indentures, no such execution or issuance may occur if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such Event of Default shall be cured upon such execution or issuance.

No Reserve Fund for the 2022 Bonds

No Reserve Fund has been established or will be funded with respect to the 2022 Bonds.

CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES

Article XIII B

The State Constitution limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and population. The “base year” for establishing such appropriation limit is the 1978-79 fiscal year and the limit is to be adjusted annually to reflect changes in population and consumer prices. Adjustments in the appropriations limit of an entity may also be made if: (i) the financial responsibility for a service is transferred to another public entity or to a private entity; (ii) the financial source for the provision of services is transferred from taxes to other revenues; or (iii) the voters of the entity approve a change in the limit for a period of time not to exceed four years.

Appropriations subject to Article XIII B generally include the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions and refunds of taxes. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to an entity of government from: (a) regulatory licenses, user charges, and user fees (but only to the extent such proceeds exceed the cost of providing the service or regulation); and (b) the investment of tax revenues. Article XIII B includes a requirement that if an entity’s 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.

Certain expenditures are excluded from the appropriations limit including payments of indebtedness existing or legally authorized as of January 1, 1979, or of bonded indebtedness thereafter approved by the

voters and payments required to comply with court or federal mandates which without discretion require an expenditure for additional services or which unavoidably make the providing of existing services more costly.

The District is of the opinion that the rates imposed by the District do not exceed the costs that the District reasonably bears in providing water service. The District will covenant in the Indentures that, to the fullest extent permitted by law, it will prescribe rates and charges sufficient to provide Net Revenues for payment of principal of and interest on the 2022 Bonds in each year as more particularly described under the caption “SECURITY FOR THE 2022 BONDS—Rate Covenant.”

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 XIII C and Article XIII D 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 XIII D. Article XIII D 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 user fees or charges for a property-related service.” A “property-related service” is defined as “a public service having a direct relationship to property ownership.” Article XIII D 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 XIII D 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. As a result, if and to the extent that a fee or charge imposed by a local government for water service is ultimately determined to be a “fee” or “charge” as defined in Article XIII D, the local government’s ability to increase such fee or charge may be limited by a majority protest.

In addition, Article XIII D includes a number of limitations applicable to existing fees and charges including provisions to the effect that: (i) revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service; (ii) such revenues shall not be used for any purpose other than that for which the fee or charge was imposed; (iii) the amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel; and (iv) no such fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Property-related fees or charges based on potential or future use of a service are not permitted.

Based upon the California Court of Appeal decision in *Howard Jarvis Taxpayers Association v. City of Los Angeles*, 85 Cal. App. 4th 79 (2000), which was denied review by the State Supreme Court, it was generally believed that Article XIII D did not apply to charges for water services that are “primarily based on the amount consumed” (i.e., metered water rates), which had been held to be commodity charges related to consumption of the service, not property ownership. The Supreme Court of California ruled in *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal.4th 205 (2006) (the “*Bighorn Case*”), however, that fees for ongoing water service through an existing connection were properly-related fees and charges. The Supreme Court of California specifically disapproved the holding in *Howard Jarvis Taxpayers Association v. City of Los Angeles* that metered water rates are not subject to Proposition 218.

Since its formation in 2002, the District has complied with the notice, hearing and protest procedures in Article XIID with respect to water rate increases, as further explained by the State Supreme Court decision in the *Bighorn* Case.

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* upholding tiered water rates under Proposition 218 provided that the tiers correspond to the actual cost of furnishing service at a given level of usage. The opinion was specific to the facts of the case, including 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 water rates are described under the caption "—Water System Rates and Charges" in Appendix A. The District does not currently expect the decision to affect its water rate structure. The District believes that its current water rates comply with the requirements of Proposition 218 and expects that any future water rates will comply with Proposition 218's procedural and substantive requirements to the extent applicable thereto.

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," so it was unclear whether the definitions set forth in Article XIID referred to above are applicable to Article XIIC. Moreover, the provisions of Article XIIC are not expressly limited to local taxes, assessments, fees and charges imposed after November 6, 1996. On July 24, 2006, the Supreme Court of California held in the *Bighorn* Case that the provisions of Article XIIC included rates and fees charged for domestic water use. In the decision, the Court noted that the decision did not address whether an initiative to reduce fees and charges could override statutory rate setting obligations. The District does not believe that Article XIIC grants to the voters within the District the power to repeal or reduce the water 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 2022 Bonds. Remedies available to beneficial owners of the 2022 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.

In addition to the specific limitations on remedies contained in the applicable documents themselves, the rights and obligations with respect to the 2022 Bonds and each of 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. The various opinions of counsel to be delivered with respect to such documents, including the opinions of Bond Counsel (the forms of which are attached as Appendix D and Appendix E), will be similarly qualified.

The District believes that its current water rates and other property-related charges comply with the requirements of Proposition 218 and expects that any future water rates and other property-related charges will comply with Proposition 218's procedural and substantive requirements to the extent applicable thereto.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIC 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 XIIIID. 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 will affect its ability to levy rates and charges for Water Service.

Future Initiatives

Articles XIIIIB, XIIIIC and XIIIID were adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiatives could be proposed and adopted affecting the District's revenues or ability to increase revenues.

LITIGATION

There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to the knowledge of the District, threatened against the District affecting the existence of the District or the titles of its directors or officers to their respective offices or seeking to restrain or to enjoin the sale or delivery of the 2022 Bonds, the application of the proceeds thereof in accordance with the Indentures, or in any way contesting or affecting the validity or enforceability of the Indentures, the 2022 Bonds or any action of the District contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the District or its authority with respect to the 2022 Bonds or any action of the District contemplated by any of said documents, nor to the knowledge of the District, is there any basis therefor.

The District is engaged in routine litigation incidental to the conduct of its business. In the opinion of the District's General Counsel, the aggregate amounts recoverable against the District, considering insurance coverage, are not material.

INVESTMENT CONSIDERATIONS

The following information, in addition to the other matters that are described in this Official Statement, should be considered by prospective investors in evaluating the 2022 Bonds. However, the following does not purport to be comprehensive, definitive or an exhaustive listing of risks and other considerations that may be relevant to making an investment decision with respect to the 2022 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. If any risk factor materializes to a sufficient degree, it alone or in combination with other risk factors could delay or preclude payment of principal or interest with respect to 2022 Bonds.

Accuracy of Assumptions

To estimate the Net Revenues which will be available to pay the principal of and interest on the 2022 Bonds, the District has made certain assumptions with regard to various matters, including but not limited to future development within the District, the rates and charges to be imposed in future years, the expenses associated with operating the Water System and the interest rate at which funds will be invested. The District believes these assumptions to be reasonable, but to the extent that any of such assumptions fail to materialize, the Revenues available to pay the principal of and interest on the 2022 Bonds will, in all likelihood, be less than those projected herein. See the caption Appendix A—"INFORMATION RELATING TO THE SACRAMENTO SUBURBAN WATER DISTRICT—Projected Operating Results and Debt Service

Coverage.” See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2022 BONDS—Rate Covenants.”

Rates Covenants Not a Guarantee

The District’s ability to pay the principal of and interest on the 2022 Bonds depends on its ability to generate Net Revenues at the levels required by Indentures. Although the District has covenanted in the Indentures to impose rates and charges as more particularly described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2022 BONDS—Rate Covenants” and expects that sufficient Net Revenues will be generated through the imposition and collection of such rates and charges, there is no assurance that the imposition and collection of such rates and charges will result in the generation of Net Revenues in the amounts required by the Indentures. No assurance can be made that Net Revenues, estimated or otherwise, will be realized by the District in amounts sufficient to pay the principal of and interest on the 2022 Bonds. Among other matters, the availability of and demand for Water Service, and changes in law and government regulations could adversely affect the amount of revenues realized by the District.

System Demand

There can be no assurance that the demand for Water Service will occur as described in this Official Statement. Reduction in levels of demand could require an increase in rates or charges in order to comply with the rate covenants. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2022 BONDS—Rate Covenants.” Demand for Water Service could be reduced or may not occur as projected by the District as a result of reduced levels of development in the District’s service area, hydrological conditions, conservation efforts, an economic downturn, mandatory State conservation orders and other factors.

System Expenses

There can be no assurance that the District’s expenses will be consistent with the descriptions in this Official Statement. Maintenance and Operation Costs may vary with hydrological conditions, the quality and amount of water supplies, as well as treatment costs, regulatory compliance costs, labor costs (including costs related to pension and other post-employment benefits) and other factors. See the caption “INFORMATION RELATING TO THE SACRAMENTO SUBURBAN WATER DISTRICT—Water Supply.” Increases in Maintenance and Operation Costs could require an increase in rates or charges in order to comply with the rate covenants. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2022 BONDS—Rate Covenants.”

Availability of Surface Water

The District currently purchases surface water from Placer County Water Agency (“PCWA”), San Juan Water District (“San Juan”) and the City of Sacramento (the “City”) pursuant to agreements with such entities. See the caption “-Water Supply” in Appendix A. The sources of surface water under the agreements are diversions from the American River, including water diverted from the Folsom Reservoir. In years of dry hydrological conditions, surface water deliveries to the District under these agreements may be reduced or completely unavailable, depending on the terms of the respective agreements. In addition, damage to, or destruction of, the facilities of PCWA, San Juan or the City, or the infrastructure relating to the American River or the Folsom Reservoir, could materially adversely affect the amount of surface water delivered to the District. The imposition of regulations regarding the diversion of water from the American River could also reduce the amount of surface water available to the District. In the event that surface water from the American River is limited or unavailable, the District could increase groundwater pumping to serve the demand of District customers. A period of prolonged inability to divert water from the American River or the Folsom Reservoir, however, could have a material adverse effect on the District’s ability to service its customers, which in turn could have a material adverse effect on the District’s ability to generate sufficient Net Revenues to pay the principal of and interest on the 2022 Bonds.

COVID-19 Pandemic

The spread of the novel strain of coronavirus and the disease it causes (now known as “COVID-19”) is having significant negative impacts throughout the world, including in the County. The World Health Organization has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the United States, the State, and numerous counties throughout the State, including in the County. The purpose behind these declarations are to coordinate and formalize emergency actions and across federal, state and local governmental agencies, and to proactively prepare for a wider spread of the virus.

On March 19, 2020, in an effort to slow the spread of COVID-19, Governor Newsom issued Executive Order N-33-20 ordering individuals living in the State to stay home or at their place of residence except for specified exceptions. The District workforce is considered essential under the Food and Agriculture sector profile included in the Essential Critical Infrastructure Workers under the Governor’s Executive Order N-33-20. This classification permitted the District workforce to be excepted from the portion of Executive Order N-33-20 that ordered non-essential workers to remain in their place of residence. The District continues to operate in accordance with the health guidelines established by the County, the State of California, and the federal government. The District has continued its operations without interruption.

With widespread vaccination currently underway in the United States and many countries worldwide, some of the governmental-imposed stay-at-home orders and restrictions on operations of schools and businesses implemented to respond to and control the outbreak have been eased. However, restrictions may be re-imposed in various jurisdictions from time to time as local conditions warrant, and it is not known with any level of certainty when a full re-opening of the economy will be achieved. On June 11, 2021, Governor Newsom issued two executive orders, which became effective on June 15, 2021, which had the effect of rescinding a majority of the COVID-19-related restrictions and providing a timeline for gradually lifting certain of the other restrictions that were not fully rescinded on June 15, 2021. No assurance can be given that governmental authorities will not reinstate the prior restrictions in the event that the COVID-19 outbreak worsens. The ultimate impact of COVID-19 on the operations and finances of the District is unknown and there can be no assurance that the outbreak of COVID-19 will not affect the District’s ability to pay the principal of and interest on the 2022 Bonds.

Natural Disasters and Seismic Considerations

General. The District, like all northern California communities, is subject to unpredictable seismic activity, fires, floods, high winds, landslides or other natural disasters. A severe natural disaster, such as an earthquake, fire, flood, high wind event or landslide, could result in substantial damage to the District, including the Water System, or San Juan and the San Juan Facilities.

Although the District maintains insurance, including flood insurance for certain of its facilities, for damage to the Water System as described in Appendix A—“INFORMATION RELATING TO THE SACRAMENTO SUBURBAN WATER DISTRICT—Water System Insurance,” there can be no assurance that specific losses will be covered by insurance or, if covered, that claims will be paid in full by the applicable insurers. Furthermore, significant portions of the Water System, including underground pipelines, are not covered by property insurance. Damage to such portions of the Water System as a result of natural disasters could result in uninsured losses to the District.

Seismic Activity. The District is located in a seismically active region. There is potential for destructive ground shaking during the occurrence of a major seismic event. In addition, land along fault lines may be subject to liquefaction during the occurrence of such an event. In the event of a severe earthquake, there may be significant damage to both property and infrastructure within the District, including the Water System. The District has an Emergency Response Plan (“ERP”) that would be implemented under such circumstances. The District’s ERP was adopted in November of 2002, amended in 2007 and again in 2020. The District’s ERP is intended to provide the District with a standardized response and recovery protocol to prevent, minimize, and mitigate injury and damage resulting from emergencies or disasters of man-made or

natural origin. The ERP also describes how the District will respond to potential threats or actual terrorist scenarios identified in the vulnerability assessment and the risk and resilience assessment, as well as emergency response situations. Included in the ERP are specific action plans that will be used to respond to events and incidents, including seismic events.

Newer Water System facilities are designed to withstand earthquakes with minimal damage, as earthquake loads are taken into consideration in the design of project structures. In addition, certain older water tanks have been retrofitted to withstand earthquakes with minimal damage. The District has also undertaken a vulnerability assessment of critical Water System facilities. The Water System has not sustained major damage to their respective facilities or experienced extended incidences of service interruptions as a result of seismic disturbances. The District maintains earthquake insurance.

Flooding. Portions of the District are mapped within the 100-year flood plain and have the potential to flood if rain events exceed the floodplain capacity. The District maintains insurance covering damage to the Water System caused by flooding for certain of its facilities. See the caption “INFORMATION RELATING TO THE SACRAMENTO SUBURBAN WATER DISTRICT—Water System Insurance” in Appendix A. The San Juan Facilities are not located in a 100-year flood plain.

Fire. Wildfires have occurred in recent years in different regions of the State. According to the State of California Department of Forestry and Fire Protection’s Fire Hazard Severity Zone (“FHSV”) map, the District’s facilities are not located in areas considered to have an elevated risk of wildfires. The District’s surface water supply partners, San Juan and PCWA, do have, according to the FHSV map, facilities that are in areas of elevated risk of wildfire. The District’s ERP would be implemented in the event of wildfire occurring in areas that may affect the District’s surface water supplies.

There can be no assurance that fires will not occur within the boundaries of, or adjacent to, the District in the future, leading to decreased usage of the District’s Water System, and a decline in Net Revenues. The District carries property insurance for fire damage. Similarly, fires occurring within the boundaries of, or adjacent to the facilities of San Juan or PCWA, could materially adversely affect the availability of surface water to the District. See the caption “—Water Supply” in Appendix A.

Drought. On April 1, 2015, for the first time in California’s history, the State Governor directed the SWRCB to implement mandatory water reductions in cities and towns across California to reduce total water usage in the State by 25%. Such restrictions applied to the District, as described in Appendix A—“INFORMATION RELATING TO THE SACRAMENTO SUBURBAN WATER DISTRICT—California Drought and Response.” Although most of such mandatory water reductions have since been lifted, the State has since enacted permanent restrictions on water usage.

Beginning in April 2021, Governor Newsom signed a series of proclamations determining that 50 counties in the State are in a state of emergency due to drought conditions affecting such areas. On October 19, 2021 (the “October 19 Proclamation”), Governor Newsom signed a proclamation placing the remaining eight California counties, including the County, in a state of emergency due to drought conditions, resulting in the entire State being under a state of emergency. The October 19 Proclamation requires local water suppliers to implement their urban water shortage contingency plans and agricultural drought plans, as applicable, at a level appropriate for local conditions that take into account the possibility of a third consecutive dry year. On July 8, 2021, Governor Newsom signed Executive Order N-10-21, which asks citizens of the State to voluntarily reduce their water use by 15% compared to 2020 levels. On January 4, 2022, the SWRCB adopted emergency regulations to prohibit the use of potable water for certain specified purposes, including washing hard surfaces, such as sidewalks and driveways, using it in decorative fountains or lakes, street cleaning, washing motor vehicles with a hose that does not have a shut-off nozzle, irrigating landscapes within 48 hours of rainfall in excess of a certain amount, among other uses.

The District does not currently believe that further reductions in water use in the District’s service area will have a material adverse effect on the District’s ability to pay the principal of and interest on the 2022

Bonds; however, there can be no assurance that prolonged drought conditions will not impact the District's service area in the future, leading to decreased usage of the District's Water System resulting in a decline in Net Revenues, or that the State's permanent water usage restrictions or the voluntary reductions encouraged by Executive Order N-10-21 or the regulations adopted by the SWRCB on January 4, 2022 will not lead to decreased usage of the Water System, resulting in a decline in Net Revenues.

Climate Change. Climate change, including change caused by human activities, may have adverse effects on the Water System. Climate change can also result in more variable weather patterns throughout the State, which can lead to longer and more severe droughts as well as increased risk of flooding and a rise in sea levels. The District considers the potential effects of climate change in its planning. While the District does not have a specific climate action plan, the Urban Water Management Plan does address the concerns and issues associated with climate change.

A portion of the District's water supply comes from surface water diverted from the American River purchased by the District through contracts with other public agencies. The American River watershed, like other areas of California, has experienced variability in precipitation in recent years. As a result of such variability, the District's supply under such contracts has been reduced or unavailable in certain years. See the caption "—Availability of Surface Water" above.

Projections of the impacts of global climate change on the District are complex and depend on many factors that are outside the District's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. Also, the scientific understanding of climate change and its effects continues to evolve. Accordingly, while the District has considered climate change in maintaining and expanding its Water System, the District is unable to forecast with certainty when adverse impacts of climate change will occur or the extent of such impacts. While the impacts of climate change may be mitigated by the District's past and future investment in adaptation strategies, the District can give no assurance about the net effects of those strategies and whether the District will be required to take additional adaptive mitigation measures.

Sustainable Groundwater Management Act

The Sustainable Groundwater Management Act ("SGMA") requires that groundwater sustainability agencies ("GSAs") be formed to manage each high and medium priority groundwater basin. Each GSA is tasked with submitting a Groundwater Sustainability Plan ("GSP") for DWR's approval or submitting an alternative GSA. See the caption Appendix A—"INFORMATION RELATING TO THE SACRAMENTO SUBURBAN WATER DISTRICT—Water Supply—Sustainable Groundwater Management Act".

The North American Subbasin has been initially designated as medium to high priority. The Sacramento Groundwater Authority ("SGA") manages the South Basin portion of the North American Subbasin and was determined to be the GSA for the South Basin portion of the North American Subbasin. Under SGMA, SGA was required to submit a groundwater sustainability plan for DWR's approval by January 31, 2022. The SGA approved its groundwater sustainability plan on December 9, 2021, and submitted the groundwater sustainability plan to DWR on January 24, 2022.

The District does not currently expect its groundwater extraction rights or costs in the South Portion of the North American Groundwater Basin to change significantly as a result of the enactment of SGMA or the implementation of the groundwater sustainability plan for the North American Subbasin; however, no assurance can be provided that future modifications to the groundwater sustainability plan for the North American Subbasin will not include additional limitations on groundwater pumping or increased costs.

Limitations on Remedies Available; Bankruptcy

The enforceability of the rights and remedies of the Owners and the obligations of the District may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency,

reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; equitable principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of servicing a significant and legitimate public purpose. Bankruptcy proceedings, or the exercising of powers by the federal or State government, if initiated, could subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation or modification of their rights.

The opinions to be delivered by Bond Counsel and concurrently with the issuance of the 2022 Bonds, will be subject to such limitations and the various other legal opinions to be delivered concurrently with the issuance of the 2022 Bonds will be similarly qualified. See Appendix D and Appendix E. In the event that the District fails to comply with its covenants under the Indentures or fails to pay the principal of and interest on the 2022 Bonds, there can be no assurance of the availability of remedies adequate to protect the interest of the Owners of the 2022 Bonds.

Limited Obligations

The 2022 Bonds are limited obligations of the District payable solely from Net Revenues and secured solely by the Net Revenues pledged in the Indentures. If for any reason, the District does not collect sufficient Net Revenues to pay the principal of and interest on the 2022 Bonds, the District will not be obligated to utilize any other of its funds, other than certain amounts on deposit in the funds and accounts established under the Indentures to pay the 2022 Bonds.

Statutory and Regulatory Compliance

Laws and regulations governing treatment and delivery of water are enacted and promulgated by federal, State and local government agencies. Compliance with these laws and regulations is and will continue to be costly, and, as more stringent standards are developed, such costs will likely increase.

For example, in 2019, the Division of Drinking Water ("DDW") of the State Water Resources Control Board (the "SWRCB") set the notification levels at 6.5 part per trillion ("ppt") for perfluorooctanesulfonic acid ("PFOS") found in drinking water and 5.1 ppt for perfluorooctanoic acid ("PFOA") found in drinking water. In 2020, the SWRCB set response levels for PFOA and PFOS at 10 parts per trillion and 40 parts per trillion, respectively. On March 5, 2021, under the authority of the Deputy Director of the State Water Board's Division of Drinking Water, the state California issued a notification level of 500 ppt and response level of 5000 ppt for perfluorobutane sulfonic acid ("PFBS").

On January 14, 2021, United States Environmental Protection Agency ("USEPA") released an Advance Notice of Public Rulemaking ("ANPRM"), seeking public comment on the consideration of designating PFOA and PFOS as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") and/or hazardous waste under the Resource Conservation and Recovery Act ("RCRA"). On March 3, 2021, the USEPA announced via the Federal Register its final determination to regulate PFOA and PFOS in drinking water. On March 11, 2021, the USEPA announced via the Federal Register its proposed revisions to the Unregulated Contaminant Monitoring Rule (UCMR 5) for public water systems which includes monitoring for 29 PFAS in drinking water. The proposal would require pre-sampling preparations in 2022, sample collection from 2023-2025, and reporting of final results through 2026. Comments on the USEPA's final regulatory determination for PFOA and PFOS and the UCMR5 proposals are due within 60 days of publication. The ANPRM regarding future regulation of PFOA and PFOS under CERCLA and RCRA has not been published in the Federal Register and is undergoing review in accordance with the new presidential administration's Regulatory Freeze Pending Review Memorandum issued on January 20, 2021. On July 30, 2021, OEHHA issued draft Public Health Goals ("PHGs") for PFOA and PFOS of 0.007 ng/L and 1 ng/L, respectively. The process for finalizing the PHGs is

anticipated to last approximately one year. Once finalized, the Division of Drinking Water intends to begin a process to develop enforceable Maximum Contaminant Level goals, which is expected to take approximately two years.

The Division of Drinking Water (“DDW”) has asked the California Office of Environmental Health Hazard Assessment (“OEHHA”) to recommend notification levels for six other PFAS compounds consistently detected in California drinking water sources: perfluorohexane sulfonic acid (PFHxS), perfluorohexanoic acid (PFHxA), perfluoroheptanoic acid (PFHpA), perfluorononanoic acid (PFNA), perfluorodecanoic acid (PFDA), and 4,8-dioxia-3H-perfluorononanoic acid (ADONA). On March 19, 2021, OEHHA announced its intent to list PFOA as a carcinogen under the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65). On March 26, 2021, OEHHA announced its review of the carcinogenic hazard of PFOS for possible listing under Proposition 65. That same day, OEHHA also announced its assessment of the reproductive toxicity of PFDA, PFHxS, PFNA, and perfluoroundecanoic acid (PFUnDA) for possible listing under Proposition 65. Comments regarding whether PFOA meets the criteria to be listed as a carcinogen under Proposition 65 were due by May 3, 2021. The public had until May 10, 2021, to submit information relevant to the assessment of the carcinogenicity of PFOS and the reproductive toxicity of PFDA, PFHxS, PFNA, and PFUnDA. In November 2017, OEHHA listed PFOA and PFOS as chemicals known to cause reproductive toxicity under Proposition 65. Proposition 65 requires businesses to provide warnings to Californians about significant exposures to chemicals that cause cancer, birth defects or other reproductive harm. Proposition 65 also prohibits California businesses from knowingly discharging significant amounts of listed chemicals into sources of drinking water.

On October 18, 2021, the Office of the President of the United States announced a comprehensive plan to address PFAS that involves the coordination of eight federal governmental agencies, including the USEPA. On October 18, 2021, USEPA released its PFAS Strategic Roadmap: EPA’s Commitments to Action 2021-2024 (the “PFAS Roadmap”), which included a number of steps that USEPA intends to take in the next three years to address the issue of PFAS, such as establishing certain testing guidelines and research efforts. In the PFAS Roadmap, USEPA noted that it intends to establish a national primary drinking water regulation for PFOA and PFOS, with the proposed rule expected to be released in fall 2022 and the final rule expected to be released in fall 2023. In addition, the PFAS Roadmap also provides that USEPA intends to issue public health advisories for two additional PFAS, PFBS and GenX chemicals by spring 2022. The PFAS Roadmap also provides that USEPA expects to release a proposed rule designating PFOA and PFOS as CERCLA hazardous substances in spring 2022. The final rule is expected to be released in summer 2023. The District cannot predict the effect of the federal government’s comprehensive plan to address PFAS.

In 2021, the District received three separate monitoring orders from DDW that listed 37 wells for which the District is required to perform quarterly PFAS monitoring. The District has completed at least one round of monitoring at 31 of the 37 wells. The other six wells are offline. The District will commence PFAS monitoring at those wells when they are returned to service. In addition, the District performed voluntary PFAS monitoring at four other wells. Monitoring results from two wells included in the monitoring orders showed PFAS detections that exceed the PFAS notification level established by DDW. Neither of the wells have been used as a source of supply since monitoring identified the notification level exceedances. As of the date of this Official Statement, PFAS in excess of a Notification Level has been confirmed in only two of the District’s 70 wells.

Claims against the Water System for failure to comply with applicable laws and regulations could be significant. Such claims may be payable from assets of the Water System and constitute Maintenance and Operation Costs or from other legally available sources. In addition to claims by private parties, changes in the scope and standards for water systems such as that operated by the District may also lead to administrative orders issued by federal or State regulators. Future compliance with such orders can also impose substantial additional costs on the District. In addition to the other limitations described herein, the State electorate or Legislature could adopt a Constitutional amendment, legislation or an initiative with the effect of reducing revenues payable to or collected by the District. No assurance can be given that the cost of compliance with

such laws, regulations and orders would not adversely affect the ability of the District to generate Net Revenues in amounts that are sufficient to pay principal and interest on the 2022 Bonds.

Parity Obligations

The Indentures permit the District to issue Bonds and enter into Contracts payable from Net Revenues on a parity with the 2022 Bonds, subject to the respective terms and conditions set forth therein. The issuance of additional Bonds or the execution of additional Contracts could result in reduced Net Revenues available to pay the 2022 Bonds. The District has covenanted to use its best efforts to set rates and charges for Water Service, respectively, to maintain coverage of at least 115% of Debt Service, as further described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2022 BONDS— Additional Indebtedness.”

Loss of Tax Exemption

Interest with respect to the 2022 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the respective dates that the 2022 Bonds were issued as a result of future acts or omissions of the District in violation of its covenants in the Indentures, as applicable. In addition, current and future legislative proposals, if enacted into law, may cause interest with respect to the 2022 Bonds to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the aggregate amount of interest on state and local government bonds that may be treated as tax exempt by individuals. See the caption “TAX MATTERS.” Should such an event of taxability occur, the 2022 Bonds are not subject to a special redemption or prepayment and will remain outstanding until maturity.

Secondary Market

There can be no guarantee that there will be a secondary market for the 2022 Bonds or, if a secondary market exists, that any 2022 Bonds, as applicable, can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

Cybersecurity

Municipal agencies, like other business entities, face significant risks relating to the use and application of computer software and hardware. Recently, there have been significant cyber security incidents affecting municipal agencies, including a freeze affecting computer systems of the City of Atlanta, an attack on the City of Baltimore’s 911 system, an attack on the Colorado Department of Transportation’s computers and an attack that resulted in the temporary closure of the Port of Los Angeles’ largest terminal.

The District and its vendors employ a multi-level cyber protection scheme that includes: end-user training and education, firewalls, anti-virus software, anti-spam/malware software, intrusion detection, and system log monitoring. The District regularly analyzes the network construct for potential weaknesses in cybersecurity and thereafter, promptly implements solutions for identified shortfalls. In addition, the District contracts with third-party vendors to monitor and augment internal monitoring of the District’s computer systems. To date, the District has not experienced an external attack on its network systems resulting in a data breach. District staff is regularly trained in cybersecurity awareness to spot potential scams or phishing schemes. However, there can be no assurance that a future attack or attempted attack would not result in disruption of District operations. The District expects that any such disruptions would be temporary in nature.

CERTAIN LEGAL MATTERS

Bond Counsel will render an opinion with respect to the 2022A Bonds substantially in the form set forth in Appendix D hereto and will render an opinion with respect to the 2022B Bonds substantially in the form set forth in Appendix E hereto. Copies of such opinions will be furnished to the Underwriter at the time of initial delivery of the 2022A Bonds and 2022B Bonds, respectively.

Certain legal matters will be passed upon for the District by Disclosure Counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, for the District and the Corporation by General Counsel to the District and the Corporation, Bartkiewicz, Kronick & Shanahan, for the Underwriter by its counsel, Gilmore & Bell, P.C. and for the Trustee by its counsel.

The payment of the fees of Bond Counsel is contingent upon the issuance of the 2022 Bonds.

Bond Counsel expresses no opinion to the owners of the 2022 Bonds as to the accuracy, completeness or fairness of this Official Statement or other offering materials relating to the 2022 Bonds and expressly disclaims any duty to advise the Owners of the 2022 Bonds as to matters related to this Official Statement.

Stradling Yocca Carlson & Rauth, a Professional Corporation, represents the District in connection with the issuance of the 2022 Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation represents the Underwriter from time-to-time on other financings and matters unrelated to the District, the 2022 Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation does not represent the Underwriter or any other party with respect to the issuance of the 2022 Bonds other than the District.

TAX MATTERS

2022A Bonds

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the 2022A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the 2022A Bonds is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the 2022A Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986 (the "Code") that must be satisfied subsequent to the issuance of the 2022A Bonds to assure that interest (and original issue discount) on the 2022A Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the 2022A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2022A Bonds. The has covenanted to comply with all such requirements.

In the opinion of Bond Counsel, the difference between the issue price of a 2022A Bond (the first price at which a substantial amount of the 2022A Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity of such 2022A Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a 2022A Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a 2022A Bond Owner will increase the 2022A Bond Owner's basis in the applicable 2022A Bond. The amount of original issue discount that accrues to the Owner of a 2022A Bond is excluded from the gross

income of such 2022A Bond Owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

The amount by which a 2022A Bond Owner's original basis for determining loss on sale or exchange in the applicable 2022A Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the 2022A Bond Owner's basis in the applicable 2022A Bond (and the amount of tax-exempt interest received with respect to the 2022 Bonds), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a 2022A Bond Owner realizing a taxable gain when a 2022A Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the 2022A Bond to the Owner. Purchasers of the 2022A Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax exempt bond issues, including both random and targeted audits. It is possible that the 2022A Bonds will be selected for audit by the IRS. It is also possible that the market value of the 2022A Bonds might be affected as a result of such an audit of the 2022A Bonds (or by an audit of similar municipal obligations). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the 2022A Bonds to the extent that it materially adversely affects the exclusion from gross income of interest (and original issue discount) on the 2022A Bonds or their market value.

Subsequent to the issuance of the 2022A Bonds there might be federal, state or local statutory changes (or judicial or regulatory changes to or interpretations of federal, state or local law) that affect the federal, state or local tax treatment of the 2022A Bonds, including the imposition of additional federal income or state taxes being imposed on owners of tax-exempt state or local obligations, such as the 2022A Bonds. These changes could adversely affect the market value or liquidity of the 2022A Bonds. No assurance can be given that subsequent to the issuance of the 2022A Bonds statutory changes will not be introduced or enacted or judicial or regulatory interpretations will not occur having the effects described above. Before purchasing any of the 2022A Bonds, all potential purchasers should consult their tax advisors regarding possible statutory changes or judicial or regulatory changes or interpretations, and their collateral tax consequences relating to the 2022A Bonds.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The 2022A Indenture and the Tax Certificate relating to the 2022A Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any 2022A Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the 2022A Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the 2022A Bonds and the accrual or receipt of interest (and original issue discount) on the 2022A Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the 2022A Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the 2022A Bonds.

Should interest (and original issue discount) on the 2022A Bonds become includable in gross income for federal income tax purposes, the 2022A Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed in accordance with the 2022A Indenture.

A complete copy of the proposed opinion of Bond Counsel with respect to the 2022A Bonds is set forth in Appendix D—“FORM OF OPINION OF BOND COUNSEL WITH RESPECT TO THE 2022A BONDS.”

2022B Bonds

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the 2022B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code but interest on the 2022B Bonds is exempt from State of California personal income tax.

With certain exceptions, the difference between the issue price of a 2022B Bond (the first price at which a substantial amount of the 2022B Bonds of the same maturity is to be sold to the public) and the stated redemption price at maturity (to the extent that such issue price is lower than the stated redemption price at maturity) with respect to such 2022B Bond constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by the Beneficial Owner of a 2022B Bond will increase the Beneficial Owner’s basis in the 2022B Bond.

The amount by which a 2022B Bond Owner’s original basis for determining loss on sale or exchange in the applicable 2022B Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the 2022B Beneficial Owner may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the 2022B Beneficial Owner’s basis in the applicable 2022B Bond (and the amount of taxable interest received) and is deductible for federal income tax purposes. The basis reduction as a result of the amortization of Series 2022B Bond premium may result in the 2022B Beneficial Owner realizing a taxable gain when a 2022B Bond is sold by the 2022B Beneficial Owner for an amount equal to or less (under certain circumstances) than the original cost of the 2022B Bond to the 2022B Bond Owner. The 2022B Beneficial Owners that have a basis in the Series 2022B Bond that is greater than the principal amount of the Series 2022B Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

In the event of a legal defeasance of a 2022B Bond, such 2022B Bond might be treated as retired and “reissued” for federal tax purposes as of the date of the defeasance, potentially resulting in recognition of taxable gain or loss to the applicable 2022B Beneficial Owner generally equal to the difference between the amount deemed realized from the deemed redemption and reissuance and the 2022B Beneficial Owner’s adjusted tax basis in such 2022B Bond.

The federal tax and State of California personal income tax discussion set forth above with respect to the 2022B Bonds is included for general information only and may not be applicable depending upon a 2022B Beneficial Owner’s particular situation. The ownership and disposal of a 2022B Bond and the accrual or receipt of interest with respect to the 2022B Bond may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences.

A complete copy of the proposed opinion of Bond Counsel with respect to the 2022B Bonds is set forth in Appendix E—“FORM OF OPINION OF BOND COUNSEL WITH RESPECT TO THE 2022B BONDS.”

MUNICIPAL ADVISOR

The District has retained Fieldman, Rolapp & Associates, Inc., Irvine, California (the “Municipal Advisor”) as Municipal Advisor in connection with the issuance of the 2022 Bonds. The Municipal Advisor is

not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The fees being paid to the Municipal Advisor are contingent upon the issuance of the 2022 Bonds.

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.

RATINGS

The District expects that S&P Global Ratings (“S&P”) will assign the 2022 Bonds the rating of “___”. There is no assurance that any credit rating given to the 2022 Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by S&P, if, in the judgment of S&P, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2022 Bonds. Such ratings reflect only the view of S&P, and an explanation of the significance of such ratings may be obtained from S&P. Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies.

In providing a rating on the 2022 Bonds, S&P may have performed independent calculations of coverage ratios using their own internal formulas and methodology which may not reflect the provisions of the 2022 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 in the 2022 Indentures, the availability of particular revenues for the payment of Debt Service or for any other purpose.

The District has covenanted in separate Continuing Disclosure Certificates for the 2022A and 2022B Bonds to file on EMMA, notices of any ratings changes on the 2022A Bonds and 2022B Bonds, as applicable. See the caption “CONTINUING DISCLOSURE UNDERTAKING” below and Appendices H and I. Notwithstanding such covenant, information relating to ratings changes on the 2022A Bonds and 2022B Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the 2022A Bonds and 2022B Bonds are directed to the ratings agencies and their respective websites and official media outlets for the most current ratings changes with respect to the 2022A Bonds and 2022B Bonds and after the initial issuance of the 2022A Bonds and 2022B Bonds.

UNDERWRITING

The 2022 Bonds will be purchased by Citigroup Global Markets Inc. (the “Underwriter”) pursuant to two purchase contracts, dated March __, 2022 (each a “Purchase Contract”), each by and between the District and the Underwriter.

Under the Purchase Contract with respect to the 2022A Bonds, the Underwriter has agreed to purchase all, but not less than all, of the 2022A Bonds for an aggregate purchase price of \$ _____ (representing the aggregate principal amount of the 2022A Bonds plus original issue premium of \$ _____, less an underwriting discount of \$ _____). The Purchase Contract with respect to the 2022A Bonds provides that the Underwriter will purchase all of the 2022A Bonds, if any are purchased, the obligation to make such a purchase being subject to certain terms and conditions set forth in the Purchase Contract, the approval of certain legal matters by counsel and certain other conditions.

Under the Purchase Contract with respect to the 2022B Bonds, the Underwriter has agreed to purchase all, but not less than all, of the 2022B Bonds for an aggregate purchase price of \$ _____ (representing the aggregate principal amount of the 2022B Bonds plus original issue premium of \$ _____, less an underwriting discount of \$ _____). The Purchase Contract with respect to the 2022B Bonds provides

that the Underwriter will purchase all of the 2022B Bonds, if any are purchased, the obligation to make such a purchase being subject to certain terms and conditions set forth in the Purchase Contract, the approval of certain legal matters by counsel and certain other conditions.

The initial public offering prices stated on the inside front cover of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell the 2022 Bonds to certain dealers (including dealers depositing 2022 Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

The Underwriter has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, “Fidelity”). Under this distribution agreement, the Underwriter may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, the Underwriter will compensate Fidelity for its selling efforts.

The Underwriter 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 Underwriter and 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 addition, certain affiliates of the Underwriter are lenders, and in some cases agents or managers for the lenders, under credit and liquidity facilities.

In the ordinary course of their various business activities, the Underwriter and its respective 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.

CONTINUING DISCLOSURE UNDERTAKING

The District has covenanted in separate Continuing Disclosure Certificates for the benefit of the holders and beneficial owners of the 2022A Bonds and 2022B Bonds to provide certain financial information and operating data relating to the District by not later than 270 days following the end of its Fiscal Year (commencing with Fiscal Year 2022) (the “Annual Reports”), and to provide notices of the occurrence of certain other enumerated events. The Annual Reports and the notices of enumerated events will be filed by the District with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system. The specific nature of the information to be contained in the Annual Report and the notice of enumerated events with respect to the 2022A Bonds and 2022B Bonds are set forth in Appendix G—“FORM OF CONTINUING DISCLOSURE CERTIFICATES.” These covenants have been made in order to assist the Underwriter in complying with Section (b)(5) of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

The District has been subject to continuing disclosure undertakings previously entered into with respect to the Sacramento Suburban Water District Refunding Revenue Certificates of Participation, Series 2009B, the 2012A Bonds and the Sacramento Suburban Water District Refunding Revenue Bonds, Series 2018A (Taxable) (the “Prior Continuing Disclosure Undertaking”). Pursuant to the Prior Continuing Disclosure Undertaking, the District agreed to file its audited financial reports, certain operating data, notices of certain enumerated events and notices of the occurrence of certain other enumerated events, if material.

The District has not failed to comply with the terms of the Prior Continuing Disclosure Undertaking in the last five years in any material respect.

MISCELLANEOUS

Insofar as any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of such statements made will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the Owners of the 2022A Bonds and 2022B Bonds.

The execution and delivery of this Official Statement have been duly authorized by the District.

SACRAMENTO SUBURBAN WATER DISTRICT

By: _____
President, Board of Directors

APPENDIX A

INFORMATION RELATING TO THE SACRAMENTO SUBURBAN WATER DISTRICT

General

The District was formed on February 1, 2002 under the County Water District Law (California Water Code Sections 30000-33901) (the “Law”) by the consolidation of the Northridge Water District (“Northridge”) and the Arcade Water District (“Arcade”). The consolidation was approved and ordered by the Sacramento County Local Agency Formation Commission under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Sections 56000-57550).

The District is located in Sacramento County, north of the American River and serves a large suburban area including portions of Citrus Heights, Carmichael, North Highlands, the City of Sacramento and Antelope, as well as McClellan Business Park (formerly McClellan Air Force Base). The District serves water to a population of approximately 184,385 through approximately 47,102 connections.

The water supply of the District is a combination of both surface water and groundwater. The District pumps groundwater from 70 active wells, which are capable of producing 100% of the annual District water usage. The wells of the District are located in the North American Groundwater Basin north of the American River. Two of the wells have been temporarily taken offline following the detection of Perfluoroalkyl substances (“PFASs”) in excess of the established notification levels. See caption “-Water Supply -PFAS.” In addition to groundwater, the District currently purchases surface water from Placer County Water Agency (“PCWA Water”) supplied from the American River and delivered to Folsom Reservoir and surface water supplied from the Folsom Reservoir (the “SJWD Water”) from the San Juan Water District (“San Juan”). See the caption “—Water Supply—Surface Water,” “—Water Supply—PCWA Water Supply Agreement” and “—Water Supply—San Juan Water Supply Agreement.” The PCWA Water and SJWD Water is treated by San Juan pursuant to contract (see the caption “—Water Supply—San Juan Agreement”) and then conveyed through District-owned transmission pipelines or pipeline capacity into the District’s water distribution system in the north service area of the District. The District also receives American River water purchased pursuant to a contract with the City of Sacramento (“Sacramento Water”). The Sacramento Water is diverted and treated by the City of Sacramento at its E.A. Fairbairn Water Treatment Plant and conveyed through District-owned pipeline capacity for distribution to District customers in the south service area of the District.

In April 2021, the Board of Directors of the District (the “Board of Directors”) began evaluating a potential combination with Carmichael Water District (“Carmichael”), a water district located adjacent to the boundaries of the District. In July 2021, an ad hoc committee consisting of members of the District and Carmichael was formed by the District and Carmichael to coordinate the District’s and Carmichael’s evaluation of the potential combination or contractual coordination of services of the District and Carmichael. The District expects to consider a proposal to hire a consultant to prepare a business case analysis of the potential combination of the two districts (the “Combination Study”) at the February 28, 2022 Board of Directors meeting. The cost of the Combination Study is expected to be paid by both the District and Carmichael, and the Combination Study is expected to be presented to the ad hoc committee in August 2022 and presented to the District Board and the Carmichael board thereafter. The District currently cannot predict whether the Combination Study will recommend the combination of the District and Carmichael, if the Board of Directors and the Carmichael board would approve a combination of the two districts, or, in the event that a measure regarding the combination is required to be submitted to voters under State law, if the such voters would approve a proposed combination.

Land and Land Use

The District currently includes approximately 36 square miles (approximately 23,032 acres of land). The District’s service area is substantially built out. Based on California Department of Water Resources (“DWR”) Population Projection Tool calculations, the District’s population is expected to be 190,700 in 2031, when the District is expected to be fully built out. Other than residential, commercial in-fill projects, and industrial and commercial development at the McClellan Business Park, the District does not expect significant additional development within its territory.

Governance and Management

Board of Directors. The District is governed by a 5-member Board of Directors, the members of which are elected to four-year terms from geographical divisions by the registered voters residing in each division of the District. The terms of the Directors are staggered, with the Directors from Divisions 1 and 2 elected at the same Statewide general election and the Directors from Divisions 3, 4 and 5 elected at the general election two years later. The current members of the Board of Directors, the expiration dates of their terms and their occupations are set forth below.

Board of Directors Member	Expiration of Term	Occupation
Craig M. Locke, President	2022	Director of Public Works for the City of Woodland, California
David A. Jones, Vice President	2024	Retired Engineer, Sacramento Suburban Water District
Jay N. Boatwright	2022	Retired, Commercial Construction Project Manager and Executive
Kevin M. Thomas	2022	Taxpayer Advocate
Robert P. Wichert	2022	Senior Manager for Richard Heath & Associates, Inc.

Key District Staff Members. Day-to-day management of the District is delegated to the General Manager. Daniel R. York was appointed General Manager by the Board in 2018. Mr. York has over 40 years of water utility experience with 25 years at the District. Mr. York served as the District’s Assistant General Manager from 2013 through 2017, responsible for supervising the District’s employees and all aspects of the utility’s operations and planning. Prior to that, Mr. York was Operations Manager for both the District and its predecessor, Arcade. Mr. York has held many leadership positions within the Sacramento Area Water Works Association and Association of California Water Agencies (“ACWA”), focusing on protecting public health by enhancing the physical and cyber security of water utilities. Mr. York is currently serving on a Risk Management Committee for ACWA’s Joint Powers Insurance Authority, which insures approximately 377 water agencies statewide, and was recently elected to ACWA’s Region 4 Board of Directors. Mr. York is on the Regional Water Authority (“RWA”) Board of Directors and was recently elected to RWA’s Executive Committee. Mr. York holds a Grade 2 Water Treatment Operator Certificate and a Grade 3 Water Distribution Operator Certificate.

Matthew T. Underwood is the Assistant General Manager. Mr. Underwood plans, organizes and supervises all day-to-day operations and all engineering, planning, maintenance and construction activities of the District; assists with implementing Board policies and programs; supports the development of the annual budget and oversees ongoing conformity and compliance; assists in personnel administration; manages and oversees all risk management; and assumes the duties and responsibilities of the General Manager in his absence. Mr. Underwood has served as the Assistant General Manager since his appointment in May 2021. Mr. Underwood served as the District’s Operations Manager from 2017 through 2021. Prior to that, he held the positions of Superintendent, Foreman, and Operator. Mr. Underwood has over 20 years of water utility experience at the District, and its predecessor, Arcade Water District. Mr. Underwood serves as the District’s primary Distribution and Treatment Chief Operator, and holds a Grade 4 Water Distribution Operator Certificate and a Grade 2 Water Treatment Operator Certificate.

Jeffery S. Ott is the Director of Finance and Administration and District Treasurer. Mr. Ott has served as the Director of Finance and Administration and District Treasurer since his appointment in January 2020. Mr. Ott has more than 34 years of experience in accounting and consulting. Prior to employment with the District, Mr. Ott was a business and systems consultant providing services to the water utility sector, worked for the San Jose Water Company and for KPMG Peat Marwick. Mr. Ott oversees the accounting, finance, information technology, customer service and conservation activities of the District. He is responsible for financial and administrative policies and procedures and all of the District's financial management and controls. Mr. Ott has experience in business systems and processes, complex accounting analysis, information technology systems, and administration. Mr. Ott is a Certified Public Accountant. Mr. Ott earned a Bachelor of Science in Accounting from San Jose State University in 1986.

Employees and Employee Benefits

General. The District currently employs 71 persons, of whom 40 work in operations and maintenance, 10 work in engineering, 8 work in customer service and 13 work in administration. District legal services are provided by contract between the District and the firm of Bartkiewicz, Kronick & Shanahan, with Joshua M. Horowitz serving as the District's General Counsel. None of the employees of the District are presently represented by a union. The District has never experienced any strikes or similar labor actions.

Pension Benefits. All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Cost-Sharing Multiple Employer Defined Benefit Pension Plan administered by the California Public Employees' Retirement System ("CalPERS"). The Board has established a single "Cost-Sharing Miscellaneous" pension plan with CalPERS that is comprised of the following Rate Plans (the "Plans"):

- Miscellaneous Plan – 3.0% at 60 (Classic Members)
- Miscellaneous Plan – 2.0% at 55 (Classic Members)
- Miscellaneous Plan – 2.0% at 62 (PEPRA)

Benefit provisions under the Plans are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA members) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the 1957 Survivor Benefit or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at December 31, 2021 and 2020, are summarized as follows:

	<i>Miscellaneous</i>		
		After 9/25/2006	
	Prior to 09/25/2006	and Prior to 01/01/2013	On or after 01/01/2013
Hire date	09/25/2006	01/01/2013	01/01/2013
Benefit formula	3.0% at 60	2.0% at 55	2.0% at 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 – 60	50 – 63	52 – 67
Monthly benefits as a % of eligible compensation	2.0% to 3.0%	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	8.00%*	7.00%**	7.25%*
Required employer contribution rates – 2021	16.34%	11.20%	7.87%
Required employer contribution rates – 2020	16.34%	11.20%	7.87%
		Closed to new members that are not already CalPERS eligible participants	
Open or Closed to New Entrants	Closed		Open

* Paid by District on behalf of employees.

** Paid by District on behalf of employees for those hired before August 18, 2020.

In addition to the contribution rates above, the District was also required to make payments of \$789,156 and \$663,435 toward its unfunded actuarial liability of all Plans during the years ended December 31, 2021 and 2020, respectively.

Contributions. Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District’s total employer contributions were \$1,408,919 and \$1,298,409 for the years ended December 31, 2021 and 2020, respectively. Dependent on the Rate Plan, the employee contribution rate was 8.0% or 7.0% of annual pay for Classic members for the measurement periods ended June 30, 2021 and 2020. For PEPRAs members, the employee contribution rate was 7.25% in 2021 and 7.25% in 2020. The District contributes the full 8.0% or 7.0% for Classic members hired before August 18, 2020. Classic members hired on or subsequent to August 18, 2020 are required to contribute the full employee share of 7.0% while PEPRAs members contribute the full 7.25%. At December 31, 2021 and 2020, the District’s pickup of the employee’s 8.0% and 7.0% share was \$265,283 and \$272,820, respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions. As of December 31, 2021 and 2020, the District reported a net pension liability for its proportionate share of the net pension liability of the Plans of \$5,806,835 and \$10,600,173, respectively.

The District’s net pension liability is measured as the proportionate share of the Pool’s net pension liability. The net pension liability is measured as of June 30, 2021, and 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 and 2019 rolled forward to June 30, 2021 and 2020 using standard update procedures. For June 30, 2021 and 2020 the District’s proportion of the Net Pension Liability was based on its proportion of the Total Pension Liability less its proportion of the Fiduciary Net Position.

The District's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2020 was as follows:

Proportion – June 30, 2021	0.30582%
Proportion – June 30, 2020	0.25130%
Change – Increase (Decrease)	<u>0.05452%</u>

For the year ended December 31, 2021 and 2020, the District recognized pension expense of \$1,822,257 and \$2,005,363, respectively.

At December 31, 2021 and 2020, the District reported deferred outflows of resources and deferred inflows of resources related to all Plans combined from the following sources:

	<i>Deferred Outflows of Resources</i>		<i>Deferred Inflows of Resources</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Pension contributions subsequent to measurement date	\$ 731,602	\$ 669,925	\$ -	\$ -
Changes in assumptions	-	-	-	75,605
Net differences between projected and actual earnings on plan investments	-	314,895	5,069,060	-
Differences between expected and actual experience	651,174	546,258	-	-
Differences between the employer's contribution and the employer's proportionate share of contributions	-	-	379,370	405,610
Change in employer's proportion	<u>337,590</u>	<u>429,050</u>	-	-
Total	<u>\$ 1,720,366</u>	<u>\$ 1,960,128</u>	<u>\$ 5,448,430</u>	<u>\$ 481,215</u>

The \$731,602 and \$669,925 reported as deferred outflows of resources as of December 31, 2021 and 2020 related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ended December 31, 2022 and 2021, respectively. Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized as pension expense as follows:

<i>Year Ended December 31</i>	
2022	\$ (923,872)
2023	(999,611)
2024	(1,135,357)
2025	(1,400,826)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability. The total pension liabilities in the June 30, 2021 and 2020 actuarial valuation was determined using the following actuarial assumptions:

	2021	2020
	Miscellaneous	Miscellaneous
Valuation Date	June 30, 2020	June 30, 2019
Measurement Date	June 30, 2021	June 30, 2020
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Projected Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service
Long-Term Rate of Return	Varies Depending on Investment	Varies Depending on Investment ⁽¹⁾

⁽¹⁾ See Note 12 to the District’s Annual Comprehensive Financial Report attached hereto as Appendix B.

The underlying mortality assumptions and all other actuarial assumptions used for June 30, 2021 and June 30, 2020 valuations were derived using CALPERS’ Membership Data for all funds. The mortality tables include 15 years of projected on-going mortality improvement using 90% of Scale MP 2016 published by the Society of Actuaries. Additional details regarding the mortality assumptions can be found in the December 2017 CalPERS’ experience study report for the period 1997 to 2015.

On July 12, 2021, CalPERS announced that they would be reducing the discount rate used to calculate employer and Public Employees’ Pension Reform Act (PEPRA) member contributions to 6.8%.

At December 31, 2021 and 2020, the District had no outstanding amount of contributions payable to the Pension Plan.

For additional information with respect to the District’s Plan, see Note 12 to the District’s Annual Comprehensive Financial Report attached hereto as Appendix B.

Other Post-Employment Benefits. The District’s defined benefit OPEB plan (the “OPEB Plan”) is a single-employer defined benefit plan that provides healthcare, dental and vision benefits for retired employees, certain former Northridge Water District directors, and their survivor dependents, subject to certain conditions. Substantially all of the District’s full-time employees may become eligible for postemployment health benefits after age fifty and after working for the District for five years if hired before January 1, 2003. If hired after January 1, 2003, eligibility for such benefits is based on a minimum of ten years of qualifying service for working with an employer that is a CalPERS healthcare provider. Retirement from the District is also a condition of eligibility of postemployment health benefits (the District must be the last employer prior to retirement). In addition, eligible retirees are required to pay a portion of the cost of certain medical insurance plans offered by CalPERS above a minimum amount established annually by the District. Eligible retirees hired after January 1, 2003, not fully-vested in postemployment benefits, are required to pay a portion of health insurance costs up to the extent they are not fully vested. Certain former Northridge Water District directors with twelve years of service are also eligible for postemployment benefits.

Benefit provisions are established and may be amended by the District and/or the CalPERS and California Employers’ Retiree Benefit Trust (“CERBT”), a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115.

GASB Statement No. 75. Effective Fiscal Year 2018, the District adopted GASB Statement No. 75 which replaced the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by*

Employers for Postemployment Benefits Other Than Pension (GASB Statement No. 45). See the caption “Management Discussion of Historical Operating Results and Debt Service Coverage” below for a discussion of the restatement relating to the implementation of GASB Statement No. 75.

Employees Covered by Benefit Term. At December 31, 2021 and 2020, the following current and former employees were covered by the benefit terms:

	2021	2020
Inactive employees or beneficiaries currently receiving benefit payments	37	39
Inactive employees entitled to but not yet receiving benefits	3	3
Active employees	<u>66</u>	<u>69</u>
Total number of participants	<u>106</u>	<u>111</u>

Contributions. The contribution requirements of plan members and the District are established and may be amended by the District. The District prefunds the OPEB Plan by contributing at least 100% of actuarially determined contributions to the CERBT. The Trust is administered by CalPERS as an agent multiple-employer plan. During the year ended December 31, 2021, the District’s cash contributions to the trust were \$946,836, comprised of benefit payments of \$857,020, an estimated implicit subsidy of \$89,011 and administrative expenses of \$805. During the year ended December 31, 2020, the District’s cash contributions to the trust were \$996,502, comprised of benefit payments of \$908,433, an estimated implicit subsidy of \$87,157 and administrative expenses of \$912.

Net OPEB Liability/(Asset). The District’s net OPEB liability was measured as of June 30, 2021 and 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2020
Measurement date	June 30, 2021 and 2020
Actuarial cost method	Entry-age normal, Level % of pay
Actuarial assumptions:	
Investment rate of return	6.50% 2021, 6.75% 2020
Discount rate	6.50% 2021, 6.75% 2020
Inflation	2.75%
Salary increases	Aggregate - 3.00% annually
Assumed wage inflation	3.00% per year
Mortality rate	Derived using CalPERS membership data
Mortality improvement	Bickmore Scale MP-2019 applied generationally
Healthcare trend rate	Start at 7.25%. Grade down to 4.0% for years after 2076.
Dental/Vision trend rate	3.75% annually

Demographic actuarial assumptions used in this valuation are based on the December 2017 experience study report of the CalPERS using data from 1997 to 2015, except for a different basis used to project future mortality improvements. The assumed gross return on OPEB plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net OPEB plan investment expense and inflation) are developed by asset class. For information concerning the assumed investment rate, see Note 13 to the District’s Annual Comprehensive Financial Report attached hereto as Appendix B.

Changes in the net OPEB Liability/(Asset). The change in the net OPEB liability for the plan as of December 31, 2021, is as follows:

	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance at December 31, 2020	\$ 11,657,171	\$ 7,014,943	\$ 4,642,228
Changes for the Year:	-	-	-
Service Cost	445,831	-	445,831
Interest	801,128	-	801,128
Actual vs. expected experience	-	-	-
Assumption Changes	408,895	-	408,895
Contributions – employer	-	765,582	(765,582)
Net investment income	-	1,946,853	(1,946,853)
Benefit payments	(468,898)	(468,898)	-
Administrative expenses	-	(4,804)	4,804
Net Changes	<u>1,186,956</u>	<u>2,238,733</u>	<u>(1,051,777)</u>
Balance at December 31, 2021 (measurement date June 30, 2021)	<u>\$ 12,844,127</u>	<u>\$ 9,253,676</u>	<u>\$ 3,590,451</u>

The change in the net OPEB liability for the plan as of December 31, 2020, is as follows:

	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance at December 31, 2019	\$ 12,082,619	\$ 5,981,207	\$ 6,101,412
Changes for the Year:			
Service Cost	474,204	-	474,204
Interest	832,623	-	832,623
Actual vs. expected experience	(1,038,719)	-	(1,038,719)
Assumption Changes	(250,200)	-	(250,200)
Contributions – employer	-	1,296,059	(1,296,059)
Net investment income	-	185,150	(185,150)
Benefit payments	(443,356)	(443,356)	-
Administrative expenses	-	(4,117)	4,117
Net Changes	<u>(425,448)</u>	<u>1,033,736</u>	<u>(1,459,184)</u>
Balance at December 31, 2020 (measurement date June 30, 2020)	<u>\$ 11,657,171</u>	<u>\$ 7,014,943</u>	<u>\$ 4,642,228</u>

For additional information with respect to the District’s Other Post-Employment Benefits, see Note 13 to the District’s Annual Comprehensive Financial Report attached hereto as Appendix B.

Budget Process

Prior to January 1 of each year, the Board of Directors reviews estimated revenues for the upcoming Fiscal Year (ending the following December 31) based on the adopted schedule of fees, rates and charges.

The District utilizes four primary budgets to manage its activities: (1) the annual Capital Budget (divided into two parts—intermediate-term capital and long-term capital); (2) the Operations and Maintenance Budget; (3) the Debt Service Budget; and (4) the Revenue and Source of Funds Budget. The long-term capital budget is intended to cover all District infrastructure projects that incorporate significant costs or long lead times and planning to complete. The intermediate-term capital budget is intended to incorporate expenditures

for operational capital items, such as vehicles, field equipment, backhoes, and computer equipment. The Operations and Maintenance budget covers all recurring operational costs, such as the purchase and treatment of water, repairs and maintenance, employee salaries and benefits and other such expenditures. The Debt Service budget covers principal and interest payments on the District's outstanding debt. The Revenues and Sources of Funds Budget identifies the District's anticipated revenues from water sales, service charges and fees, capacity charges, investment income, and other operating and non-operating revenues. In addition, any uses of reserves anticipated to balance the budget are specified.

On October 18, 2021, the Board approved a \$24,752,000 Capital budget, a \$23,811,000 Operations and Maintenance Budget, a \$7,503,000 Debt Service Budget, and a \$56,066,000 Revenues and Sources of Funds Budget which includes \$4,705,000 from reserves for calendar year 2022. At the February 28, 2022 regular Board Meeting, the Board of Directors approved a debt service Budget amendment of approximately \$5,600,000 to terminate the swap agreement with Well Fargo Bank N.A. pending final determination of the settlement amount. As of March 1, 2022, and except as described in the preceding sentence, no material amendments to such budgets have been approved.

Water System Insurance

The District participates in the Association of California Water Agencies Joint Powers Insurance Authority ("ACWA/JPIA"), a joint powers authority organized under the laws of the State. ACWA/JPIA operates as a risk pool for qualified State water agencies and offers general and auto liability coverage and public official's liability coverage.

The District is covered under the ACWA/JPIA for general and auto liability, including public officials' and employees' errors and omissions, with total risk financing self-insurance limits of \$5,000,000 per occurrence. ACWA/JPIA has purchased additional excess coverage layers with limits up to \$55,000,000 with aggregated policy limits and sub-limits of \$5,000,000 for terrorism, \$10,000,000 for Communicable Disease and \$35,000,000 for subsidence, lead, mold and Perfluoroalkyl and Polyfluoroalkyl (PFAS).

The District also has insurance coverage for crime, property loss, and boiler and machinery replacement. Crime coverage includes public employee dishonesty, forgery or alteration and computer fraud of up to \$100,000 per loss and such coverage is subject to a \$1,000 per loss deductible.

The District is insured up to replacement value, with a \$2,500 deductible per occurrence, on scheduled buildings, fixed equipment and contents, actual cash value on scheduled mobile equipment with a \$1,000 deductible per occurrence and actual cash value on scheduled vehicles with a \$1,000 deductible per occurrence. ACWA/JPIA is self-insured up to \$100,000 per loss and has purchased re-insurance coverage up to a \$500,000,000 limit per occurrence. Scheduled fixed equipment is covered for accidental mechanical breakdown up to sub-limit of \$100,000,000 with deductible of \$25,000 to \$50,000 depending on type of equipment, earthquake is covered up to sub-limit of \$2,500,000 aggregate and flood is covered up to sub-limit of \$25,000,000.

The District also has workers' compensation insurance coverage up to State statutory limits, and employer's liability coverage of \$4,000,000 for all work-related injuries and illnesses covered by State law. The ACWA/JPIA self-insures for the first \$2,000,000 and has purchased excess coverage for California Statutory Limits with a \$4,000,000 program aggregate limit for Employers Liability coverage.

The District also has cyber security coverage of up to \$5,000,000 per occurrence and aggregate limit. The cyber liability deduction varies from \$10,000 to \$50,000 depending on the total insured values on file.

Settled claims have not exceeded any of the coverage amounts in any of the last three years and there were no reductions in the District's insurance coverage during the years ending December 31, 2021. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be

reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (“IBNR”). There were no IBNR claims payable as of December 31, 2021.

For more information with respect to the District’s risk management practices, see Note 14 to the District’s Annual Comprehensive Financial Report attached hereto as Appendix B.

Outstanding Obligations

Following the prepayment of the 2009A Certificates, the defeasance of the 2012A Bonds, the termination of the Sumitomo Credit Facility Agreement and the termination of the 2012 Swap Agreement, which are anticipated to occur on or about the date of initial delivery of the 2022 Bonds, the District’s obligation to pay the principal of and interest on the 2022 Bonds will be payable from Net Revenues on a parity with payments of principal of and interest on District to pay principal of and interest on the 2022 Bonds will be payable from Net Revenues on a parity with payments of principal of and interest on the 2012A Bonds maturing on November 1, 2022, which are currently outstanding in the aggregate principal amount of \$2,405,000, and the Sacramento Suburban Water District Refunding Revenue Bonds, Series 2018A (the “2018A Bonds”), which are currently outstanding in the aggregate principal amount of \$9,630,000.

The 2012A Bonds maturing on November 1, 2022, the 2018A Bonds, and other Contracts and Bonds (as such terms are defined in Appendix B hereto) are referred to herein as “Parity Obligations.”

Water Supply

Groundwater. The water supply of the District is a combination of both groundwater and surface water. Historically, groundwater constituted 100% of the supply to water users within the District’s service area. Groundwater is currently supplied by 70 active wells and a variety of pumping stations. The District’s wells are located in the North American Groundwater Basin north of the American River. While groundwater levels fluctuate based on hydrological conditions, groundwater levels historically declined within the District from 1950 to 2000 at an average rate of approximately 1.5 to 2.0 feet per year. Since 2000, however, groundwater levels in the portion of the North American Groundwater Basin from which the District pumps water have stabilized because of increasing surface water acquisitions by the District in addition to customer conservation practices. See the caption “—Surface Water.” The District’s wells have a range in depth from 270 to 1,036 feet. Peak season average daily demand from the District’s wells is approximately 136 acre-feet and is sufficient to supply 100% of water demand within the District.

Under the Sustainable Groundwater Management Act (“SGMA”) local agencies and other water users in specified groundwater basins are required to implement measures to regulate groundwater extractions, as discussed below. The District is part of the Sacramento Groundwater Authority (the “SGA”), a regional entity formed to manage, stabilize and sustain the North American Groundwater Basin. Pursuant to the groundwater pumping measures established by the SGA, the District’s annual average pumping allotment for groundwater is 35,035 acre-feet. Amounts pumped in excess of this target are subtracted from the District’s “Exchangeable Water Balance,” which is groundwater banked by the District. Amounts of groundwater pumped below this target that are replaced with purchased surface water are added to the District’s “Exchangeable Water Balance,” with the District being credited for the in-lieu groundwater banked. As of December 1, 2021, the District has banked 240,898 acre-feet of Exchange Water Balance. Recovery of such banked water is subject to certain sustainability requirements and any future regulations imposed under the SGMA, which could materially affect the amount and rate of water that can be recovered.

Sustainable Groundwater Management Act. On September 16, 2014, the State 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. Under SGMA, DWR designated groundwater basins in the State as high, medium, low or very low priority for purposes of groundwater management. Local groundwater producers were required 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. The North American Subbasin has been initially designated as medium to high priority. The SGA manages the South Basin portion of the North American Groundwater Basin and was determined to be the GSA for the South Basin portion of the North American Subbasin.

The SGMA requires the preparation and implementation of a Groundwater Sustainability Plan (a “GSP”) for non-adjudicated critical, high and medium priority basins. Under the SGMA, GSAs must develop and implement locally-based GSPs or may submit an alternative plan tailored to their regional economic environmental needs (each, an “Alternative Plan”). Alternative Plans are existing groundwater management plans that demonstrate how sustainable groundwater management has already been or will be achieved. GSPs must include sustainability goals and a plan to implement such goals within 20 years.

Under SGMA, SGA was required to submit a GSP for the North American Groundwater Basin for DWR’s approval by January 31, 2022. The SGA approved its GSP on December 9, 2021, and submitted the groundwater sustainability plan to DWR on January 24, 2022. The GSP for the North American Groundwater Basin will be evaluated every 5 years as additional information becomes available. The GSP for the North American Groundwater Basin was developed cooperatively by five GSAs in the region, with SGA serving as the plan manager and lead agency for the preparation and implementation of the GSP. For a discussion of SGMA and the applicability of SGMA to the District and the for the North American Groundwater Basin, see the caption “INVESTMENT CONSIDERATIONS – Sustainable Groundwater Management Act” in the forepart of this Official Statement.

The District does not currently expect the District groundwater extraction rights or costs in the South Portion of the North American Groundwater Basin to change significantly as a result of the implementation of the GSP for the North American Groundwater Basin.

PFAS. In August 2019, the California Office of Environmental Health Hazard Assessment (“OEHHA”) (a department within the California Environmental Protection Agency) recommended a notification level for perfluorooctanoic acid (“PFOA”) and perfluorooctanesulfonic acid (“PFOS”) at the lowest levels at which such substances can be reliably detected in drinking water using currently available and appropriate technologies. The Division of Drinking Water (“DDW”) of the SWRCB subsequently set the notification levels at 6.5 part per trillion (“ppt”) for PFOS and 5.1 ppt for PFOA. If exceeded, water providers must notify their governing bodies, and the State Water Resources Control Board (the “SWRCB”) recommends they inform customers. In early 2020, the SWRCB also set the response levels at 10 ppt for PFOA and 40 ppt for PFOS. If exceeded, water providers are required to either take the water source out of service, provide treatment, or notify customers in writing. Legislation which took effect on January 1, 2020 (California Assembly Bill 756), requires that water systems that receive a monitoring order from the SWRCB and detect levels of PFASs that exceed their respective response level must either take a drinking water source out of use or provide specified public notification if they continue to supply water above the response level. On March 5, 2021, under the authority of the Deputy Director of the DDW, the State issued a notification level of 500 ppt and response level of 5000 ppt for perfluorobutane sulfonic acid (“PFBS”). PFAS are common compounds used in many household items, including most items that are waterproof, stain-resistant or non-stick.

In 2021, the District received three separate monitoring orders from DDW that listed 37 wells for which the District is required to perform quarterly PFAS monitoring. The District has completed at least one round of monitoring at 31 of the 37 wells. The other six wells are offline. The District will commence PFAS monitoring at those wells when they are returned to service. In addition, the District performed voluntary PFAS monitoring at four other wells. Monitoring results from two wells included in the monitoring orders showed PFAS detections that exceed the PFAS notification level established by DDW. Neither of the wells have been used as a source of supply since monitoring identified the notification level exceedances. As of the date of this Official Statement, PFAS in excess of a notification level has been confirmed in only two of the

District's 70 wells. The two wells have been offline since confirmation of exceedance of the PFAS notification level. Though the two wells currently remain permitted as active wells with DDW, their final status will likely not be determined until a minimum contamination level is established. For a discussion of certain regulatory developments regarding PFAS, see the caption "INVESTMENT CONSIDERATIONS – Statutory and Regulatory Compliance" in the forepart of this Official Statement.

Surface Water. Recognizing that groundwater levels within the District had been declining over a long period, Northridge and Arcade had each commenced negotiations for the acquisition of surface water in the 1990s. The acquisition and delivery of this surface water is covered under various water supply agreements with other agencies. These agreements include: (i) an agreement dated June 1, 2000, amended on October 2, 2008 and further amended on June 2, 2016 between the District and PCWA to supply PCWA Water to the District (the "PCWA Water Supply Agreement"); (ii) the Wholesale Water Supply Agreement between the City of Sacramento (the "City") and the District, dated as of January 20, 2004 (the "Sacramento Agreement"); (iii) the water supply agreement between the City and the District, dated as of February 13, 1964 (the "1964 Water Supply Agreement") and (iv) an agreement dated March 1, 2022, between the District and San Juan (the "San Juan Water Supply Agreement"). All of these sources of water ultimately depend upon water moved through Folsom Reservoir, or diverted from the American River.

The inability of San Juan or the District to divert water from the American River or from the Folsom Reservoir could have a material adverse effect on the District's water supply. Similarly, the inability of the City of Sacramento to divert American River water in excess of the thresholds specified in the Sacramento Agreement (see the caption "*-Sacramento Agreement*" below) could have a material adverse effect of the District's supply of water. In such circumstances, the District could increase groundwater deliveries to serve customer demand. A period of prolonged inability to divert water from the American River or the Folsom Reservoir could have a material adverse effect on the District's ability to service its customers, which in turn could have a material adverse effect on the District's ability to generate sufficient Net Revenues to pay the principal of and interest on the 2022 Bonds.

The District has sufficient surface water supplies available in normal to wet years to serve all of its customers except during limited peak demand periods. The District generally plans to increase surface water deliveries and reduce groundwater deliveries during wet years and to increase groundwater deliveries and reduce surface water deliveries during dry years to conjunctively manage its water supplies. See the caption "—California Drought and Response."

PCWA Water Supply Agreement. In 1995 (and as superseded and amended in 2000, amended in 2008, amended in 2016 and further amended in 2020), Northridge and PCWA entered into the PCWA Water Supply Agreement to supply PCWA Water from the American River to Northridge for 50 years. The PCWA Water Supply Agreement provides for the sale by PCWA to the District of 12,000 acre feet ("annual entitlement") of water in calendar year 2009 and each year thereafter with an option to purchase additional water in each calendar year, which increased after 2014 to an option to purchase a total of up to 29,000 acre-feet of water per calendar year. After the 2020 amendment, the District's annual entitlement was reduced from 12,000 acre-feet to 8,000 acre-feet of water with the option to still purchase up to 29,000 acre-feet, when available. The PCWA Water Supply Agreement has provisions for permanently reducing the entitlements of the District by one-half of the scheduled amount that the District fails to take in any year. The scheduled entitlements are subject to the water needs of the customers of PCWA, the entitlements of San Juan under an existing water supply agreement with PCWA, the obligations of PCWA under a power agreement with Pacific Gas and Electric Company, and any temporary disruptions due to repairs or inspections of the facilities of PCWA. While the District currently expects that such prior entitlements will not result in a reduction of water available from PCWA, there can be no assurance that water available to the District from PCWA will meet the schedule of deliveries set forth in the PCWA Water Supply Agreement.

Water deliveries under the PCWA Water Supply Agreement are subject to certain conditions, including the terms of an order of the SWRCB that approved the inclusion of the District, as successor to

Northridge, within the authorized place of use under the water rights of PCWA, and the provisions of a water conveyance agreement with the United States Bureau of Reclamation (“Reclamation”). Such water conveyance agreement was renegotiated in 2018 and terminates in 2045. Under the SWRCB order, the District may not divert water under the PCWA Water Supply Agreement during certain dry years, in which case the District would use groundwater or surface water from other sources to meet the water supply needs within the District.

The current District cost of water under the PCWA Water Supply Agreement is \$36.94 per acre-foot, regardless of whether the District takes its base contractual water supply; however, this provision only applies when PCWA surface water is available to purchase. In addition, the District currently pays a wheeling charge of \$21.45 per acre-foot to Reclamation to move such water through Folsom Reservoir. The District currently projects taking between approximately 3,000 and 8,000 acre-feet of the District’s available water in each of the next five Fiscal Years, subject to availability and pricing. See the caption “—Historical and Projected Water Supply.” In addition, the District pays San Juan a charge to treat the PCWA water before it is conveyed to the District for use in the Water System. See the caption “- San Juan Agreement” below.

The PCWA Water Supply Agreement terminates in 2045, with a provision for the parties to negotiate an extension thereof. There can be no assurance that an extension of the PCWA Water Supply Agreement can be obtained or that the District would be successful in securing a reliable alternate permanent supply of surface water for the District from PCWA, another agency or by obtaining a direct water right.

San Juan Agreement. In October 1994 (and as superseded and amended in 2017), Northridge and San Juan entered into the San Juan Agreement concerning the diversion, treatment and conveyance of PCWA Water through San Juan’s diversion, water treatment and conveyance facilities to Northridge. Under the San Juan Agreement, the District has an exclusive right to 59 million gallons a day (“mgd”) of capacity in a 72-inch diameter pipeline constructed by San Juan (the “San Juan Pipeline”), and a first right to use surplus capacity (the “Surplus Capacity”) in the San Juan Facilities, subject to the prior use of the San Juan Facilities by San Juan’s wholesale water service customers, consisting of San Juan, City of Folsom, Citrus Heights Water District, Fair Oaks Water District and Orange Vale Water Company (collectively, the “Member Districts”). The District has the first right to use the Surplus Capacity for delivery of: (i) surplus water (the “Surplus Water”) not needed by the Member Districts diverted by San Juan from Folsom Reservoir under the existing water rights of San Juan; and (ii) surface water diverted from Folsom Reservoir that the District may be entitled to from time to time under other agreements and arrangements, including water under the PCWA Water Supply Agreement and the San Juan Water Supply Agreement.

The San Juan charge to the District for use of Surplus Capacity to divert, treat and deliver water described above is at the average wholesale water rate San Juan charges to Member Districts (but not including the cost-of-water component of such rate for water purchased from agencies other than San Juan), plus a charge to cover the pro rata cost of treating water to be delivered to the District, to the extent that treatment costs are not included in wholesale water rates. The current rate paid by the District under the San Juan Agreement is \$306.06 per acre-foot of treated water.

The Surplus Capacity in the San Juan treatment plant ranges seasonally from 5 to 60 mgd, with the highest availability in the winter months and the lowest in the summer months. There can be no assurance that the Surplus Capacity in the San Juan treatment plant will remain available. In the event the Surplus Capacity in the San Juan treatment plant becomes insufficient to treat water acquired from agencies other than San Juan for use by the District, the District may need to finance increased capacity in the San Juan treatment plant. The San Juan Agreement contains no express termination date.

1964 Water Supply Agreement. Pursuant to the 1964 Water Supply Agreement (and as amended in 2001), the District has the right to divert 26,064 acre-feet per year of water from the American River for use within a portion of the former Arcade Town and Country Service Area known as “Area D.” Area D is entirely within the authorized place of use of the City. Under the 1964 Water Supply Agreement (and as amended in

2001), the District has the right to divert this water at two points, from the E.A. Fairbairn Water Treatment Plant of the City (the “E.A. Fairbairn Plant”) located near Howe Avenue, and from a floating diversion point on the reach of the American River between Folsom Dam and the Sacramento River. The agreement stipulated that Arcade pay to the City an annual payment based on the per acre-foot cost of raw water charged by the United States Bureau of Reclamation to the City. The District’s current per acre-foot payment amount to maintain its entitlement to Area D water is \$9.00. The District anticipates continuing to make the annual payments to the City that are required to maintain its Area D raw water entitlement.

Prior to the consolidation, Arcade developed its Area D raw water entitlement by constructing 11 shallow infiltration wells along the north bank of the American River, located in the southeast portion of the District. The wells were constructed between 1966 and 1968, of which eight wells were equipped with pumps and placed in service. The wells range in depth from 22 to 45 feet.

The original capacity of the wells was 6,945 gallons per minute, but that capacity diminished over time. In 1993, all of the wells were taken out of service in order to comply with a directive from the State of California Department of Health Services (“DHS”) which required additional treatment for “groundwater under the influence of surface water.” Arcade subsequently made improvements to the wells and reactivated the system in 1995 with the approval of DHS. At the time the wells were reactivated, Arcade also requested a time extension to comply with the applicable treatment regulations. On March 21, 1996, DHS issued a Compliance Order requiring that the District provide multi-barrier treatment for the existing wells, as required by the Surface Water Filtration and Disinfection Treatment Regulations, by July 1, 1999. Subsequently, in November 1997, the District discontinued use of the American River wells and removed the pumps and related equipment.

Under the Sacramento Agreement, the City may deduct any amount of untreated surface water diverted by the District under the 1964 Water Supply Agreement from the amount of water the City is required to divert, treat and deliver to the District under the Sacramento Agreement. The District does not currently anticipate diverting untreated surface water under the terms of the 1964 Water Supply Agreement.

Sacramento Agreement. Under the Sacramento Agreement dated January 20, 2004, the City conveyed a capacity interest in the facilities of the City for diverting, treating and delivering up to 20 mgd to the District in exchange for payment of the capital costs of the reserved capacity. Under the Sacramento Agreement, the District has the right to receive up to 20 mgd of treated surface water from the City’s water supply facilities. The Sacramento Agreement superseded a previous agreement between Arcade and the City pursuant to which Arcade paid approximately \$2.2 million to acquire an interest in up to 20 mgd of conveyance capacity in a 54-inch transmission main constructed in 1993 by the City from the E.A. Fairbairn Plant under the American River and up Howe Avenue in the City. Using a portion of the proceeds from the previous agreement between Arcade and the City, the District acquired ownership rights in a portion of the capacity in the City’s 54-inch transmission main for the purpose of conveying treated water from the City’s E.A. Fairbairn Plant to an above-ground reservoir and pump station project constructed by the District that was in part constructed with proceeds from the 2004 Certificates. The District began receiving water from the E.A. Fairbairn Plant through the District’s capacity interest in the City’s 54-inch transmission main in 2007. The Sacramento Agreement contains no express termination date.

Under the Sacramento Agreement, the District may not receive treated surface water from the City when the flow in the lower American River is below: (i) 2,000 cubic feet per second during the period from October 15 through the last day of February of each year; (ii) 3,000 cubic feet per second during the period from March 1 through June 30 of each year; and (iii) 1,750 cubic feet per second during the period from July 1 through October 15 of each year. The District does not anticipate that the foregoing restrictions will have a material effect upon the City’s delivery of treated water in amounts that are sufficient to meet customer demand. See the caption “—California Drought and Response.”

San Juan Water Supply Agreement. Commencing in 2020, the District entered into annual agreements with San Juan to purchase excess surface water diverted from the Folsom Reservoir, when available, directly from San Juan. Under the terms of the agreements with San Juan, in years in which San Juan determines that San Juan’s water entitlements will be in excess of the needs of San Juan’s wholesale customer agencies, San Juan will make available to the District for delivery such excess surface water. Under the current San Juan Water Supply Agreement, the District can purchase up to 6,000 acre-feet of surface water from the San Juan, with a minimum target of 4,000 acre-feet.

The term of the agreements with San Juan have been one year. The current San Juan Water Supply Agreement becomes effective on March 1, 2022 and expires on February 28, 2023. The District expects to enter into annual agreements with San Juan with substantially similar terms as the current San Juan Water Supply Agreement through at least 2025.

The District currently projects taking delivery of approximately 4,000 acre-feet of surface water from San Juan in the current Fiscal Year and each of the next three Fiscal Years, subject to availability and pricing. See the caption “—Historical and Projected Water Supply.” The costs for water delivered under the current San Juan Water Supply Agreement to the District is \$295.00 per acre-foot.

Other Surface Water. The District has from time to time purchased other water on a short-term basis for use within the Service Area, including but not limited to flood releases from Folsom Reservoir. See the caption “—Historical and Projected Water Supply” below.

Water Transfers and Wheeling

In 2013, the District participated in a water transfer that sold 2,822 acre-feet of surface water to the State Water Contractors Association in exchange for net payments totaling \$409,000. In 2018 and again in 2020, the District cooperated with other local agencies in a water transfer that sold 4,602 and 6,667 acre feet of surface water to various agencies outside of the Sacramento area. The District received net payments of \$1.8 million and \$1.0 million, respectively. When conditions are appropriate, the District will participate in future water transfer opportunities.

The District wheeled approximately 585 acre feet of water to neighboring purveyors during Fiscal Year 2021. The District is able to wheel additional water to neighboring agencies when the District receives additional surface water.

California Drought and Response

Governor’s Executive Orders. California has a variable climate with significant weather swings. The 2012-2016 calendar years were among the driest and warmest on record. On April 1, 2015, Governor Brown issued an executive order (the “2015 Executive Order”) mandating, among other provisions, a 25% reduction in potable urban water usage in California (as compared to potable water usage in 2013) through February 28, 2016. On February 2, 2016, the reductions mandated by the 2015 Executive Order were extended through October 31, 2016. In connection with such extension, the general framework of the regulations implementing the 2015 Executive Order were left intact, however, urban water suppliers are now provided credits and adjustments based on climate and recognition of significant investments made to create local, drought-resilient sources of potable water.

On May 9, 2016, the Governor issued an executive order directing the SWRCB to adjust and extend the SWRCB’s emergency water conservation regulations through the end of January 2017 (the “2016 Executive Order”). On May 18, 2016 and in accordance with the 2016 Executive Order, the SWRCB adopted an emergency water conservation regulation (the “2016 SWRCB Regulation”) that replaced its February 2, 2016 emergency regulation and extends through January 31, 2017. The 2016 SWRCB Regulation required urban water suppliers to develop conservation standards based upon each urban water supplier’s specific

circumstances and replaces the prior percentage reduction-based standard described above. On February 8, 2017, the SWRCB modified and extended the emergency water conservation regulation for another 270 days.

On April 7, 2017, the Governor issued an executive order (the “2017 Executive Order”) which terminated the 2015 Executive Order. The 2017 Executive Order required DWR and the SWRCB to develop standards for urban water suppliers to set water use efficiency targets and restrict wasteful water use, as provided in the 2016 Executive Order. California’s five-year drought ended in 2017 in one of the wettest winters on record.

In May 2018, the Governor signed Senate Bill 606 and Assembly Bill 1668 into law to establish State-wide water efficiency standards. These two pieces of legislation require increased water conservation as compared to the State’s existing 20% reduction by December 31, 2020 water conservation target along with several additional metrics to be established by both retail and wholesale agencies. Such legislation also authorized the SWRCB to adopt water use variances to account for climate and local conditions. Long-term water use efficiency targets are intended to be customized to the unique conditions of each water agency with a goal to establish specific targets that will generate increased conservation. The standards will be strengthened to include: indoor residential per capita water use; outdoor irrigation incorporating new satellite imagery data; commercial water use; and water loss through leaks. The indoor water use standard has been defined as 55 gallons per person per day (“GPCD”) until January 2025; the standard will decrease over time to 50 GPCD in January 2030. Standards for outdoor residential water use, commercial, industrial and institutional water use for landscape irrigation are still being developed.

Beginning in April 2021, Governor Newsom signed a series of proclamations determining that 50 counties in the State are in a state of emergency due to drought conditions affecting such areas. On July 8, 2021, Governor Newsom signed Executive Order N-10-21, which asks citizens of the State to voluntarily reduce their water use by 15% compared to 2020 levels. On October 19, 2021 (the “October 19 Proclamation”), Governor Newsom signed a proclamation placing the remaining eight California counties in a state of emergency due to drought conditions, resulting in the entire State being under a state of emergency. The October 19 Proclamation requires local water suppliers to implement their urban water shortage contingency plans and agricultural drought plans, as applicable, at a level appropriate for local conditions that take into account the possibility of a third consecutive dry year.

On January 4, 2022, the SWRCB adopted emergency regulations (the “2022 Emergency Regulations”) to prohibit the use of potable water for certain specified purposes, including washing hard surfaces, such as sidewalks and driveways, using it in decorative fountains or lakes, street cleaning, washing motor vehicles with a hose that does not have a shut-off nozzle, irrigating landscapes within 48 hours of rainfall in excess of a certain amount, among other uses. The 2022 Emergency Regulations also prohibit homeowners’ associations and local governments from enforcing certain guidelines, policies or ordinances, as the case may be, that could result in the unreasonable use of potable water and undermine the water conservation objectives underlying the 2022 Emergency Regulations. Violations of the 2022 Emergency Regulations are punishable by a fine of up to five hundred dollars for each day in which the violation occurs. The 2022 Emergency Regulations are expected to take effect by the end of January 2022 and will remain in effect for one-year following the effective date unless the SWRCB determines that the 2022 Emergency Regulations are no longer necessary or the SWRCB determines to renew the 2022 Emergency Regulations due to continued drought conditions.

The District does not currently believe that further reductions in water use in the District’s service area will have a material adverse effect on the District’s ability to pay the principal of and interest on the 2022 Bonds; however, there can be no assurance that prolonged drought conditions will not impact the District’s service area in the future, leading to decreased usage of the District’s Water System resulting in a decline in Net Revenues, or that the State’s permanent water usage restrictions or the voluntary reductions encouraged by Executive Order N-10-21 or implementation of the 2022 Emergency Regulations will not lead to decreased usage of the Water System, resulting in a decline in Net Revenues.

The District is obligated under the Indentures to set rates and charges sufficient to provide Net Revenues equal to 115 percent of Debt Service due in each Fiscal Year as more particularly described under the caption “SECURITY FOR THE 2022 BONDS—Rate Covenants.” The ability of the District to modify its current rate structure could, however, be limited by certain California Constitutional provisions, including but not limited to Proposition 218. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES” in the forepart of this Official Statement.

District Drought Response Actions and Impact. In Fiscal Years 2020 and 2021, the District received either no surface water or reduced amounts of surface water diverted from the American River under the Sacramento Agreement and under the PCWA Water Supply Agreement due in part to dry hydrological conditions. See the captions “Water Supply—Surface Water,” “—PCWA Water Supply Agreement” and “—Sacramento Agreement” above and “—Historical and Project Water Supply” below. Based on current hydrology, the District projects 2022 to be a dryer than normal year, and that surface water supplies may be limited or unavailable. Notwithstanding the foregoing, the District continues to enjoy an ample supply of groundwater due to its investment in both surface water and groundwater infrastructure and supply sources.

In response to executive orders and the regulations issued by the SWRCB discussed under the caption “—Governor’s Executive Orders” above, the District adopted a “Water Shortage Contingency Plan” (the “Contingency Plan”). The Contingency Plan was updated in May 2021. The Contingency Plan sets forth procedures for the District to follow to perform annual water supply and demand assessments, as well as drought risk assessments. The Contingency Plan also includes six mandated shortage levels and related response actions, which include water waste prevention, conservation pricing, public education and outreach, restrictions on certain water uses, among other actions. On May 17, 2021, the District’s Board of Directors declared “adequate water supply conditions” which places the District in shortage level one. In July of 2021 the District implemented the voluntary 15% water use reduction goal for its customers recommended under Executive Order N-10-21.

The District is obligated under the Indenture to fix and prescribe rates and charges for the Water Service which are reasonably expected to be at least sufficient to yield during each Fiscal Year Net Revenues equal to 115 percent of Debt Service for such Fiscal Year as more particularly described under the caption, “SECURITY FOR THE 2022 BONDS—Rate Covenant.”

Historical and Projected Water Supply

Set forth below is a summary of the sources of water supply for the District for the Fiscal Years 2016 through 2020.

SACRAMENTO SUBURBAN WATER DISTRICT HISTORICAL WATER SUPPLY IN ACRE FEET PER YEAR

<i>Fiscal Year ending December 31</i>	<i>Groundwater</i>	<i>PCWA Water Supply Agreement</i>	<i>SJWD Water Supply</i>	<i>City of Sacramento Water Supply</i>	<i>Total</i>
2020	29,072	510	3,117	388	33,087
2019	13,363	10,843	-	6,404	30,610
2018	20,424	10,450	-	-	30,874
2017	19,791	10,162	-	1,301	31,254
2016	17,864	11,025	-	423	29,312

Source: The District.

Set forth below is a summary of the District’s projection of water sources available for Fiscal Years 2021 through 2025.

**SACRAMENTO SUBURBAN WATER DISTRICT
PROJECTED WATER SUPPLY IN ACRE FEET PER YEAR**

<i>Calendar Year ending December 31</i>	<i>Groundwater</i>	<i>PCWA Water Supply Agreement</i>	<i>SJWD Water Supply</i>	<i>City of Sacramento Water Supply</i>	<i>Total</i>
2021 ⁽¹⁾	29,926	-	2,228	-	32,154
2022 ⁽²⁾	19,184	3,000	4,000	6,000	32,184
2023	19,261	8,000	4,000	2,000	33,261
2024	19,276	8,000	4,000	2,000	33,276
2025	19,292	8,000	4,000	2,000	33,292

⁽¹⁾ Reflects actual and unaudited operating results for Fiscal Year 2021.

⁽²⁾ Reflects 2022 budgeted amounts.

Source: The District.

The information for Fiscal Year 2021 reflects the unaudited operating results of the District. The above projections for Fiscal Years 2022 through 2025 are based on historical demand by customer category in comparison to the land area served and the number of connections by category for such Fiscal Years. The above projections do not include water transfers or exchanges that may occur if excess water is available. Increased water conservation efforts could lower these projections. Actual groundwater and surface water usage will depend on a variety of factors including but not limited to hydrological conditions. See the captions “—Water Supply—Groundwater” and “—Surface Water” above. If precipitation in Fiscal Year 2022 results in the availability of water diverted from American River or Folsom Reservoir to be less than the amounts projected in the above table, the District expects to meet customer demand through increased groundwater pumping.

Historical Water Connections

The following table shows the number of water connections to the Water System for Fiscal Years 2016 through 2020.

**SACRAMENTO SUBURBAN WATER DISTRICT
HISTORICAL WATER CONNECTIONS**

<i>Calendar Year ending December 31</i>	<i>Connections</i>	<i>Increase/(Decrease)</i>
2020	46,573	(0.00)%
2019	46,575	0.66
2018	46,268	(0.11)
2017	46,318	(0.71)
2016	46,650	N/A

Source: The District.

Of the 46,573 connections to the Water System in Fiscal Year 2020, 43,306 were connections to residential customers (including multi-family) and 3,267 were connections to non-residential customers (commercial, other governmental agency, industrial).

Historical Water Deliveries

The following table presents a summary of historical water deliveries for the Water System in acre-feet per year for Fiscal Years 2016 through 2020.

**SACRAMENTO SUBURBAN WATER DISTRICT
HISTORICAL WATER DELIVERIES IN ACRE FEET PER YEAR**

<i>Calendar Year ending December 31</i>	<i>Deliveries⁽¹⁾</i>	<i>Increase/(Decrease)</i>
2020	30,440	8.09 ⁽²⁾
2019	28,161	(0.85) ⁽³⁾
2018	28,404	(1.22) ⁽³⁾
2017	28,754	6.63% ⁽⁴⁾
2016	26,967	N/A

- ⁽¹⁾ Reflects historical estimated system losses of 8% of District supply, resulting in water deliveries equal to 92% of District supply. See the table entitled “SACRAMENTO SUBURBAN WATER DISTRICT HISTORICAL WATER SUPPLY IN ACRE FEET PER YEAR” set forth under the caption “—Historical and Projected Water Supply.”
- ⁽²⁾ Increase due to increased water demand due in part to customers working from home as a result of governmental restrictions in response to COVID-19 Pandemic.
- ⁽³⁾ Decrease due to conservation efforts.
- ⁽⁴⁾ Increase due to end of drought and lifting of certain water conservation requirements.
- Source: The District.

Historical Water Sales Revenues

The following table shows District water sales revenues for Fiscal Years 2016 through 2020.

**SACRAMENTO SUBURBAN WATER DISTRICT
HISTORICAL WATER SALES REVENUES**

<i>Fiscal Year ending December 31</i>	<i>Water Sales Revenues</i>	<i>Increase/(Decrease)</i>
2020	\$47,724,962	7.14% ⁽¹⁾
2019	44,545,600	(0.13) ⁽²⁾
2018	44,601,655	3.52
2017	43,084,389	7.32
2016	40,143,786	N/A

- ⁽¹⁾ Increase due 5% rate increase for 2020 and increased water demand.
- ⁽²⁾ Decrease due to normal conservation efforts.
- Source: The District.

Of the \$47,724,962 in total water sales revenues for Fiscal Year 2020, approximately \$36,937,561 was attributable to residential customers, (including multi-family), approximately \$10,704,653 was attributable to non-residential customers (commercial, other government agency, industrial), and approximately \$82,748 was attributable to wheeling water.

Largest Customers

The following table sets forth the ten largest customers in the District as of December 31, 2021, as determined by annual payments.

<i>Customer</i>	<i>Annual Payments</i>
McClellan Business Park	\$ 579,341
San Juan Unified School District	385,258
Carmel Partners, MS#3, The Arbors	289,154
Autumn Ridge Apartments	199,266
Woodside Association, Inc.	188,352
Twin Rivers Union School District	164,714
Eskaton Village	162,747
Fulton-El Camino Rec/Park District	157,991
Kaiser Permanente MS #2133	143,059
The Homes at McClellan Park	142,294
Total	<u>\$ 2,412,176</u>

Source: The District.

These ten largest customers accounted for approximately 4.97% of Water Sales Revenues in the Fiscal Year ending December 31, 2021.

Water System Rates and Charges

General. District rates and charges for water service within the District’s territory are set by the Board of Directors and are not subject by statute to the jurisdiction of, or regulation by, the State Public Utilities Commission or any other regulatory body. The District, however, is required when setting water service rates to comply with the notice, hearing and majority protest provisions of Article XIID of the State Constitution, which is popularly known as Proposition 218. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218.”

District staff annually determines the adequacy of the water charge structure for the water service in the District’s service area after full consideration of expected operations, maintenance and capital costs of the Water System. The Board of Directors currently sets water charges at a level it determines is sufficient to pay all operating and maintenance costs of water pumping and water purchases, to recover operating expenses for the Water System, to pay debt service payments for the Water System and to fund capital improvements and replacements to the Water System.

The District is subject to certain covenants with respect to the 2022 Bonds and certain Bonds and Contracts which require the setting of rates and charges reasonably expected to yield Net Revenues equal to 115% of the current annual debt service requirement of the District. See the caption “SECURITY FOR THE 2022 BONDS—Rate Covenant.”

On October 16, 2019, after the public hearing required under Proposition 218, the Board of Directors adopted a comprehensive rate plan for the District (the “2019 Rate Plan”). The 2019 Rate Plan incorporates water rate increases beginning January 1, 2020 and ending January 1, 2024, as further described below. There is no assurance that the Board of Directors will not decrease, modify or suspend the scheduled rates in the 2019 Rate Plan in the future or that the District’s ratepayers will not approve an initiative to modify, including decrease, water service rates and charges reflected in the 2019 Rate Plan. The District is currently studying the need for future rate increases but has not taken action to raise rates since the adoption of the 2019 Rate Plan.

Water Service Charges. The District charges a metered or flat rate for residential customers depending on whether the service connections of such customers have a water meter. All District customers, regardless of the type of service, are charged a usage charge and a service charge. On October 16, 2019, the Board of Directors adopted rate increases effective January 1, 2020, January 1, 2021, January 1, 2022, January 1, 2023 and January 1, 2024. In aggregate, the five rate increases have increased total water charges by approximately 18%. The total metered rate, beginning January 1, 2022, for single family residential service using 15 centum cubic feet (“CCF” with 1 CCF equal to 100 cubic feet of water) with a three-quarter inch service line is \$61.81 per month. The metered rate for another typical customer class, one inch service using 15 CCF of water, is currently \$88.37 per month. There is no assurance that the Board of Directors will not modify, including decrease, the scheduled rates in the future or that the District’s ratepayers will not approve an initiative to modify, including decrease, water service rates and charges approved by the Board of Directors.

The District requires water meters for all new construction and has adopted a water meter retrofit program to meter all water services by 2025 in accordance with a state law enacted effective January 1, 2005. Presently, approximately 99.6% of the District’s water connections are metered (including 100% of commercial connections), and the District currently anticipates having all connections metered prior to January 1, 2025. The District currently charges for water based on metered usage for those services that are metered. The District has a tiered water rate schedule based on metered water use for residential meter customers. The metered rate typically consists of a meter service charge and a commodity charge per hundred cubic feet of water actually used.

The table below sets forth a comparison of the District a typical monthly water bill for a single family residential user of 15 CCF per month with a one inch service to those of nearby water purveyors as of January 1, 2022:

<i>Community</i>	<i>Metered Rate</i>
Placer County Water Agency	\$ 120.27
Rio Linda/Elverta Community Water District	115.85
California American Water Company	106.66
City of Sacramento	104.79
<i>Sacramento Suburban Water District</i>	88.37
San Juan Water District	80.70
Carmichael Water District	63.34

Source: The District.

Capacity Fees. The District collects capacity fees for each new connection to District facilities in the service area. The capacity fees effective April 1, 2021 are as follows:

<i>Meter Size</i>	<i>Charge</i>
5/8” meter	\$ 4,143
3/4” meter	6,216
1” meter	10,359
1½” meter	20,719
2” meter	33,151
3” meter	66,300
4” meter	103,594
6” meter	207,189
8” meter	372,940
10” meter	497,254
12” meter	699,263

The table below sets forth a comparison of the District capacity fees for a single family residence with a one-inch metered service to those of nearby communities as of January 1, 2022:

<i>Community</i>	<i>Fees</i>
El Dorado Irrigation District	\$ 23,292
Rio Linda/Elverta Community Water District	15,930
San Juan Water District	15,726
<i>Sacramento Suburban Water District</i>	10,359
City of Roseville	9,363
Carmichael Water District	9,168
Fair Oaks Water District	6,153
City of Sacramento	3,134
City of Folsom	3,361

Source: The District.

Collection Procedures

The District is on a monthly billing cycle for all types of water service provided within its territory. The District mails bills to each property owner with a flat-rate connection in advance of the next monthly period. Metered-rate customers are billed in arrears for usage in the previous 30 days. If payment is not received before the next billing is generated, a 10% penalty charge is assessed on the delinquent amount. If payment is not received within 60 days after a bill is due, the District mails a 10-day service termination notice to such delinquent customers. If, after receipt of the 10-day notice, payment is still not received or arrangements made to pay the delinquent service charges, the District delivers a 48-hour notice of impending termination to delinquent customers. If, after receipt of the 48-hour notice of impending termination, payment is still not received, the District will terminate water service at the delinquent property. All accounts not paid in full at the end of the 60 days are subject to such termination procedures, and if payment is not timely received in accordance with such procedures, the account is suspended and locked-off until the property owner makes full payment, including a \$50.00 reconnection fee. In addition, the District is authorized to record a lien against the property of any delinquent customer whose service has been terminated in accordance with the above procedures.

The following table shows the annual water sales revenues and the amount of such revenues transferred to the tax roll for the five most recent calendar years.

<i>Calendar Year ending December 31</i>	<i>Water Sales Revenues</i>	<i>Transferred to Tax Roll</i>
2020	\$ 47,724,962	\$ 0.00
2019	44,545,600	0.00
2018	44,601,655	0.00
2017	43,084,389	0.00
2016	40,143,786	0.00

Source: The District.

In response to the recent novel coronavirus outbreak described under the caption “INVESTMENT CONSIDERATIONS—COVID-19 Pandemic,” on April 2, 2020, Governor Newsom signed an executive order, which among other things, suspended the authority of water systems, such as the District, from suspending water service for non-payment. The executive order was scheduled to expire on September 30, 2021, but the moratorium on suspending water service for non-payment was extended to December 31, 2021 with the passage of Senate Bill 155 (“SB 155”). The moratorium on suspending water service for non-

payment under SB 155 expired on December 31, 2021 and was not renewed. The District also temporarily suspended collection activities and late fees and penalties. The District resumed collection activities, including the assessment of late fees and penalties and the discontinuation of service for non-payment, in February 2022 in accordance with the guidelines of SB 155.

As of December 31, 2021, 13.64% of District water accounts were 30 days delinquent, which represents approximately 2.06% of the total amounts billed for Fiscal Year 2021. Since the Governor's executive order with respect to the suspension of water service for non-payment went into effect, delinquency rates increased as of December 31, 2021 (13.64%) compared to December 31, 2020 (10.47%); however, the amount delinquent as of December 31, 2021 (\$1,002,097) decreased slightly from the amount at December 31, 2020 (\$1,016,825). As compared to the delinquency rate as of December 31, 2019 (14.26%), the delinquency rate as of December 31, 2021 was not significantly higher even though the amount delinquent as of December 31, 2021 (\$1,002,097) was higher than the amount at December 31, 2019 (\$475,908). The District can make no assurances that delinquency rates and amounts will not increase as a result of the economic impact of the COVID-19 outbreak.

The District received a grant through the California Water and Wastewater Arrearage Payment Program through funding from the State Water Resources Control Board using federal American Rescue Plan Act funds to assist customers with delinquent water bills that were accrued from March 4, 2020 to June 15, 2021. The District applied for and received \$775,000 in funds and applied \$691,000 to customer account balances in December 2021. The District intends to refund the difference to the State in 2022, as required pursuant to the terms of the grant.

No assurances can be made as to the ultimate impact of the outbreak and responses thereto by local, State and federal governments on the District. See the caption "INVESTMENT CONSIDERATIONS—COVID-19 Pandemic."

Future Water System Improvements

In March 2017, the Board of Directors of the District adopted a Water System Master Plan (the "WSMP") that incorporates a capital needs analysis for a 15-year period from 2017 through 2031. At that time, there were projects divided into 7 categories with an estimated total cost of approximately \$391.3 million (in 2017 dollars).

Each year, the capital improvement plan (long-term capital portion of Capital Budget) is determined from certain capital asset needs as identified in the WSMP and updated with the addition of new projects, the completion of existing projects, or the extension of on-going projects. The budget for long-term capital improvement projects in Fiscal Year 2022 is \$22,194,000. The projects include rehabilitation and/or replacement of existing distribution pipeline facilities, installation and rehabilitation of wells, pump stations and well water treatment facilities, and other projects.

The District plans to finance these projects through District revenues on a pay-as-you-go basis. The District does not currently expect to issue Bonds or enter into Contracts to finance the projects in the WSMP.

Projected Water Connections

The following table shows the number of water connections to the Water System projected by the District for Fiscal Years 2021 through 2025.

**SACRAMENTO SUBURBAN WATER DISTRICT
PROJECTED WATER CONNECTIONS**

<i>Calendar Year ending December 31</i>	<i>Connections</i>	<i>Increase/(Decrease)</i>
2021 ⁽¹⁾	47,102	1.14%
2022	47,310	0.44
2023	47,451	0.30
2024	47,470	0.04
2025	47,489	0.04

⁽¹⁾ Reflects actual and unaudited operating results for Fiscal Year 2021.
Source: The District.

Projected Water Deliveries

The District currently projects that water deliveries will decrease slightly in 2021 and 2022 from water deliveries in 2020 due to water conservation due to existing drought orders and regulations. The District projects annual water deliveries will increase slightly starting in 2023, as shown below, as a result of an increase in connections and projected demand. The District currently estimates that Water System deliveries for Fiscal Years 2021 through 2025 will be as follows.

**SACRAMENTO SUBURBAN WATER DISTRICT
PROJECTED WATER DELIVERIES IN ACRE FEET PER YEAR**

<i>Calendar Year ending December 31</i>	<i>Deliveries⁽¹⁾</i>	<i>Increase/(Decrease)</i>
2021 ⁽²⁾	29,718	(2.37%)
2022	29,802	0.28
2023	30,800	3.35
2024	30,814	0.05
2025	30,828	0.05

⁽¹⁾ Reflects projected system losses of 7.4% of District supply, resulting in water deliveries equal to 92.6% of District supply. See the table entitled “SACRAMENTO SUBURBAN WATER DISTRICT PROJECTED WATER SUPPLY IN ACRE FEET PER YEAR” set forth under the caption “—Historical and Projected Water Supply.”

⁽²⁾ Reflects actual and unaudited operating results for Fiscal Year 2021.
Source: The District.

Actual water deliveries will depend on a variety of factors including but not limited to hydrological conditions, weather and water conservation efforts.

Projected Water Sales Revenues

The following table projects annual water sales revenues of the Water System, which projections are based on the increases in projected water connections described under the caption “THE DISTRICT—Projected Water Connections.” Projected water sales revenues for Fiscal Year 2021 reflect the unaudited water sales revenues for Fiscal 2021. Projected water sales revenues for Fiscal Years 2022 through 2024 reflect the implementation of the rate increases approved by the Board of Directors on October 16, 2019. See the caption “—Water System Rates and Charges.” Projected water sales revenues for Fiscal Year 2025 do not assume any rate increases.

SACRAMENTO SUBURBAN WATER DISTRICT PROJECTED WATER SALES REVENUES

<i>Calendar Year ending December 31</i>	<i>Sales Revenues</i>	<i>Increase/(Decrease)</i>
2021 ⁽¹⁾	\$ 48,565,321	1.76
2022	49,527,000	1.98
2023	51,671,000	4.33
2024	53,529,000	3.60
2025	53,552,000	0.04

⁽¹⁾ Reflects actual operating results for Fiscal Year 2021.

Source: The District.

Actual water sales revenues will depend on a variety of factors, including but not limited to hydrological conditions, weather, and water conservation efforts.

WATER SYSTEM FINANCIAL INFORMATION

Financial Statements

A copy of the District’s most recent audited financial statements for the Fiscal Year ended December 31, 2020, including the Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, prepared by Maze & Associates, Pleasant Hill, California (the “Auditor”) are set forth as Appendix B hereto (the “Financial Statements”). The Financial Statements are combined with certain unaudited statistical and supplemental information to form the District’s Annual Comprehensive Financial Report. The Auditor’s letter concludes that the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2020 and 2019 and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as well as accounting systems prescribed by the State Controller’s Office and state regulations governing special districts. The Auditor has not reviewed the information contained in this Official Statement. The Auditor’s consent to the inclusion of the Financial Statements in the Official Statement was granted but no additional procedures were performed.

Significant Accounting Policies. The District is accounted for as an enterprise fund type of the proprietary fund group and therefore accounts for its operations in a manner similar to a private enterprise since it is the intent of the District to recover its cost of providing goods and services to the public on a continuing basis primarily through user charges.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The basic financial statements reflect the flow of economic resources measurement focus and the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred regardless of the timing of related cash flows.

The principal operating revenues of the District are charges to customers for water sales and services. Operating expenses include the cost to purchase, pump, treat and deliver water, administrative expenses and depreciation on capital assets. The District distinguishes operating revenues and expenses from non-operating revenues and expenses based on the relationship of the revenue or expense to the production and delivery of water.

Preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the basic financial statements and reported changes in net position during the reporting period. Actual results may differ from those estimates.

See the District's Annual Comprehensive Financial Report attached hereto as Appendix B for a discussion of other accounting practices of the District.

The summary operating results contained under the caption “—Historical Operating Results and Debt Service Coverage” are derived from these financial statements (excluding depreciation, grant revenues received by the District for activities unrelated to the Water System and passed through to other entities, certain non-cash items and after certain other adjustments) and are qualified in their entirety by reference to such statements, including the notes thereto. The presentation of historical operating results and debt service coverage below reflects the financial covenants set forth in the Indentures, not with respect to any other obligations currently or previously outstanding.

In providing a rating on the 2022 Bonds, certain rating agencies may have performed independent calculations of coverage ratios using their own internal formulas and methodologies which may not reflect the provisions of the Indenture. See the caption “RATINGS” herein. 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 bond covenants, the availability of particular revenues for the payment of Debt Service or for any other purpose.

Historical Operating Results and Debt Service Coverage

The following table is a summary of operating results of the District for Fiscal Years 2016 through 2020.

SACRAMENTO SUBURBAN WATER DISTRICT HISTORICAL OPERATING RESULTS FISCAL YEAR ENDED DECEMBER 31

	2020 ⁽¹⁰⁾	2019	2018	2017	2016
Revenues ⁽¹⁾					
Water Sales ⁽²⁾	\$ 47,724,962	\$ 44,545,600	\$ 44,601,655	\$ 43,084,389	\$ 40,143,786
Other Charges for Services	523,531	1,133,375	1,054,182	1,077,174	939,242
Water Transfers	979,431	42,578	1,760,900	-	-
Capacity Fees ⁽³⁾	496,431	287,209	158,001	135,073	264,209
Investment Income ⁽⁴⁾	1,077,475	1,076,124	766,708	571,716	612,859
Other ⁽⁵⁾	<u>374,433</u>	<u>448,684</u>	<u>488,684</u>	<u>443,532</u>	<u>279,231</u>
	\$ 51,149,825	\$ 48,148,642	\$ 48,790,130	\$ 45,311,884	\$ 42,239,327
Operation and Maintenance Costs ⁽⁶⁾					
Transmission and Distribution	\$ 4,548,218	\$ 6,721,242	\$ 4,192,517	\$ 4,016,335	\$ 3,972,951
Administrative and General	8,540,665	8,134,919	7,790,742	7,600,325	6,818,371
Pumping	5,304,282	5,195,373	4,946,462	4,516,090	4,852,232
Water Purchases ⁽⁷⁾	1,861,483	3,525,538	3,789,431	2,980,224	2,470,806
Customer Accounts	1,250,249	1,319,589	1,301,011	1,304,645	1,144,521
Water Conservation	522,769	472,083	440,674	452,328	587,395
Other Non-Operating Expenses	<u>60,793</u>	<u>55,745</u>	<u>0</u>	<u>3,087</u>	<u>3,682</u>
Total Operation and Maintenance Costs	\$ 22,088,459	\$ 25,424,489	\$ 22,460,837	\$ 20,873,034	\$ 19,849,958
Net Revenues	\$ 29,061,366	\$ 22,724,153	\$ 26,329,293	\$ 24,438,850	\$ 22,389,689
Debt Service					
2009A Installment Purchase Agreement ⁽⁸⁾	\$ 1,346,076	\$ 1,291,384	\$ 1,449,114	\$ 1,413,196	\$ 1,282,173
2009B Installment Purchase Agreement ⁽⁹⁾	-	-	570,500	3,272,500	3,270,500
2012A Bonds	2,848,225	2,838,025	2,876,225	2,873,425	2,918,217
2018A Bonds	<u>3,043,573</u>	<u>3,020,424</u>	<u>2,575,410</u>	<u>-</u>	<u>-</u>
Total Debt Service	\$ 7,237,874	\$ 7,149,833	\$ 7,462,249	\$ 7,559,121	\$ 7,470,890
Coverage	4.02	3.18	3.53	3.23	3.00
Revenues Available for Capital Projects and Other Purposes	\$ 21,823,492	\$ 15,574,320	\$ 18,867,044	\$ 16,879,729	\$ 14,918,479

(1) Excludes grant revenues received by the District for activities unrelated to the Water System and passed through to other entities.

(2) Includes water consumption sales, water service charges, capital facilities charges and wheeling water charges.

(3) Excludes grant income and developer contributions.

(4) Excludes unrealized gains and losses on investments.

(5) Includes rental revenue and other non-operating revenues.

(6) Excludes payment of grants received by the District for activities unrelated to the Water System to other entities. Adjusted to remove non-cash items related to GASB 68, GASB 75 and GASB 83. Other expenses include fees related to the SMBC Credit Facility Agreement.

(7) Includes payments under the 1964 Water Supply Agreement.

(8) Includes payments under the 2012 Swap Agreement and SMBC Credit Facility Agreement.

(9) The 2009B Installment Payments were prepaid with a portion of the proceeds of the 2018A Bonds in Fiscal Year 2018.

(10) Includes effects of Fiscal Year 2020 restatement as required by the implementation of GASB Statement No. 83. See “-Management Discussion of Historical Operating Results and Debt Service Coverage.”

Source: The District.

Management Discussion of Historical Operating Results and Debt Service Coverage

In the District's Financial Statements for Fiscal Year 2021, the District expects to restate its beginning net position as of the beginning of Fiscal Year 2020 and restating Fiscal Year 2020 results, as a result of the District's adoption of GASB Statement No. 83, Certain Asset Retirement Obligations ("GASB Statement No. 83"). Effective Fiscal Year 2020, the District adopted GASB Statement No. 83 which addresses accounting and financial reporting for certain asset retirement obligations ("AROs"). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Under GASB Statement No. 83, a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The District is obligated by County of Sacramento ordinance to properly destroy abandoned wells.

The adoption of GASB Statement No. 83 requires the District to recognize in its financial statements the net liability, deferred outflows of resources and annual amortization of deferred outflows for the District related to future costs associated with destroying District water wells as required by Sacramento County Code. Due to the implementation of GASB Statement No. 83, a new liability along with new deferred outflows of resources for asset retirement obligations will be recorded on the Statement of Net Position. The new liability is expected to have a balance of \$5,401,379 and \$5,080,865 and deferred outflows of resources of \$1,048,188 and \$966,187 as of December 31, 2020 and 2021, respectively. Net position will decrease by \$4,353,191 as of January 1, 2020. The prior period adjustment affected the Statement of Revenues, Expenses and Changes in Net Position for Fiscal Year 2020 set forth in the audited financial statements for Fiscal Year 2020. Such restatement of beginning net position and operating results had minimal effect on Operation and Maintenance Costs and no effect on Coverage set forth in the table under "Historical Operating Results and Debt Service Coverage" above as amortization expenses are not included in coverage calculations.

In the District's audited Financial Statements for Fiscal Year 2018, the District restated its beginning net position as of the beginning of such Fiscal Year, as a result of the District's adoption of GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The adoption of GASB Statement No. 75 required the District to recognize in its financial statements the net OPEB liability, deferred outflows of resources and deferred inflows of resources for the District's OPEB plan. Due to the implementation of GASB Statement No. 75, the net OPEB liability increased by \$5,644,922, deferred outflows of resources increased by \$21,772 and net position decreased by \$5,623,150 as of January 1, 2018. The prior period adjustment affected the Statement of Revenues, Expenses and Changes in Net Position for Fiscal Year 2018 set forth in the audited financial statements for Fiscal Year 2018. Such restatement of beginning net position had no effect on Revenues, Operation and Maintenance Costs or Coverage set forth in the table under "Historical Operating Results and Debt Service Coverage" above.

In the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards dated April 13, 2021, relating to the District audited financial statements for Fiscal Year 2020, the Auditor stated that it did not identify any deficiencies in internal control that it considered to be material weaknesses

Projected Operating Results and Debt Service Coverage

The unaudited actual results for Fiscal Year ending December 31, 2021 and the estimated projected operating results of the District for the Fiscal Years ending December 31, 2022 through 2025 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 assumptions stated 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.

**SACRAMENTO SUBURBAN WATER DISTRICT
PROJECTED OPERATING RESULTS
FISCAL YEAR ENDING DECEMBER 31**

	2021 ⁽¹⁾	2022 ⁽²⁾	2023	2024	2025
Revenues ⁽³⁾					
Water Sales ⁽⁴⁾	\$ 48,565,321	\$ 49,527,000	\$ 51,671,000	\$ 53,529,000	\$ 53,552,000
Other Charges for Services ⁽⁵⁾	408,565	700,000	1,100,000	1,110,000	1,120,000
Capacity Fees ⁽⁶⁾	1,213,195	1,585,800	1,070,415	300,000	300,000
Investment Income ⁽⁷⁾	649,195	487,000	487,000	589,000	714,000
Other ⁽⁸⁾	<u>1,162,965</u>	<u>530,000</u>	<u>530,000</u>	<u>530,000</u>	<u>530,000</u>
Total Revenues	\$ 51,999,240	\$ 52,829,800	\$ 54,858,415	\$ 56,058,000	\$ 56,216,000
Operation and Maintenance Costs ⁽⁹⁾					
Transmission and Distribution ⁽¹⁰⁾	\$ 5,094,045	\$ 4,462,000	\$ 4,685,000	\$ 4,919,000	\$ 5,165,000
Administrative and General ⁽¹⁰⁾	7,958,244	8,693,000	9,128,000	9,584,000	10,063,000
Pumping ⁽¹⁰⁾	5,954,984	5,633,000	5,915,000	6,211,000	6,522,000
Water Purchases ⁽¹¹⁾	966,123	2,698,000	2,914,000	3,147,000	3,399,000
Customer Accounts ⁽¹⁰⁾	1,460,056	1,646,000	1,728,000	1,814,000	1,905,000
Water Conservation ⁽¹⁰⁾	495,105	680,000	714,000	750,000	788,000
Other Non-Operating Expenses	<u>--</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Total Operation and Maintenance Costs	\$ 21,928,556	\$ 23,817,000	\$ 25,089,000	\$ 26,430,000	\$ 27,847,000
Net Revenues	\$ 30,070,684	\$ 29,012,800	\$ 29,769,415	\$ 29,628,000	\$ 28,369,000
Debt Service					
2009A Installment Purchase Agreement ⁽¹²⁾	\$ 1,282,934	\$ 227,000	\$ -	\$ -	\$ -
2012A Bonds ⁽¹³⁾	2,838,238	206,919	-	-	-
2018A Bonds	3,060,449	3,050,967	1,534,956	1,537,962	1,541,678
2022A Bonds ⁽¹⁴⁾	-	1,159,667	3,016,750	3,027,500	3,734,500
2022B Bonds ⁽¹⁵⁾	<u>-</u>	<u>2,578,950</u>	<u>2,451,500</u>	<u>2,434,000</u>	<u>1,722,000</u>
Total Debt Service	\$ 7,181,621	\$ 7,223,502	\$ 7,003,206	\$ 6,999,462	\$ 6,998,178
Coverage	4.19	4.02	4.25	4.23	4.05
Revenues Available for Capital Projects and Other Purposes	\$ 22,889,063	\$ 21,789,298	\$ 22,766,209	\$ 22,628,538	\$ 21,370,822

(1) Reflects unaudited preliminary results for Fiscal Year 2021.

(2) Based upon the Fiscal Year 2022 budget, except as noted otherwise. See the caption "THE DISTRICT—Budget Process."

(3) Excludes grant revenues received by the District for activities unrelated to the Water System and passed through to other entities.

(4) Projected Water Sales revenues increase by 1.98% in Fiscal Year 2022, 4.33% in Fiscal Year 2023 and by 3.60% in Fiscal Year 2024 due primarily to rate increases adopted by the Board of Directors on October 16, 2019 and slight increases in connections and projected demand. See the caption "THE DISTRICT—Water System Rates and Charges." Revenue increase in Fiscal Year 2025 are also based on projected water demand and connections increases with no adjustments to rates from those previously adopted by the Board of Directors. See the captions "THE DISTRICT—Water System Rates and Charges" and "THE DISTRICT—Projected Water Sales Revenues." Water Sales includes water consumption sales and transfers, water service charges and wheeling water charges.

(5) Fiscal Year 2021 reflects the loss in revenues from the moratorium on water service disconnections. See the caption "THE DISTRICT—Collection Procedures." Fiscal Year 2022 is projected to increase over budgeted amount as the shut-off moratorium expired on December 31, 2021, and collection activities will commence in March 2022. Projections for Fiscal Years 2023 to 2025 reflect a return to normal revenues that include penalty charges and disconnection fees.

(6) Fiscal Year 2022 and 2023 increases due to projected Barret Ranch Sub-Division closings. Fiscal Year 2024 and 2025 based on District projections. Excludes grant income and developer contributions.

(7) Earnings projections calculated based on the yield to maturity at cost of the District's portfolio as of December 31, 2021 and the assumed reinvestment rates of maturities for each period thereafter. The projections assume there are no cash flows into or out of the portfolio during the projection period and no sales or realized gains/losses.

(8) Includes rental income and other miscellaneous revenues. Fiscal Year includes \$691,000 in grant monies received through the California Water and Wastewater Arrearage Payment Program through funding from the State Water Resources Control Board using federal American Rescue Plan Act funds to assist customers with delinquent water bills that were accrued from March 4, 2020 to June 15, 2021.

(9) Excludes payment of grants received by the District for activities unrelated to the Water System to other entities.

(10) Projected to increase approximately 5.0% per annum from Fiscal Year 2022 budgeted amount.

- (11) Includes payments under the 1964 Water Supply Agreement. Projected to increase approximately 8.0% per annum from Fiscal Year 2022 budgeted amount.
- (12) Includes payments under the 2012 Swap Agreement and SMBC Credit Facility Agreement. Reflects payments through the date of issuance 2022A Bonds. The termination payment in connection with the termination of the 2012 Swap Agreement is expected to be paid by the District through a cash contribution. Projected to be prepaid from proceeds of the 2022A Bonds. See the caption “PLAN OF FINANCE – Prepayment of 2009A Certificates.”
- (13) Projected to be prepaid from proceeds of the 2022B Bonds on or about August 3, 2022. See the caption “PLAN OF FINANCE – Refunding of Refunded 2012A Bonds.” Reflects the payment of the principal of and interest on the Refunded 2012A Bonds through the date of issuance of the 2022B Bonds and, as to the 2012A Bonds maturing on November 1, 2022, through maturity.
- (14) Assumes issuance of 2022A Bonds in the aggregate principal amount of \$35,115,000 at a true interest cost of 1.73%.
- (15) Assumes issuance of 2022B Bonds in the aggregate principal amount of \$6,600,000 at a true interest cost of 1.80%.

Source: The District.

Management Discussion of Projected Operating Results and Debt Service Coverage

The District projects that operating Revenues will increase in Fiscal Year 2022, 2023 and 2024 due to in part to water rate increases included in the 2019 Rate Plan approved by the Board of Directors, due to increased water demand and a limited number of new connections. See the captions “THE DISTRICT—Water System Rates and Charges,” “THE DISTRICT—Projected Water Connections” and “THE DISTRICT—Projected Water Sales Revenues.” Water demand projections are based on the District’s Urban Water Management Plan which was adopted in 2020 and on recent deliveries. The 2019 Water Rate Plan included water rate increases through Fiscal Year 2024. As a result, the District’s water sales revenue projection for Fiscal Year 2025 is based solely on projected increased demand and limited number of new connections and does not assume an increase in rates from the rate charged during Fiscal Year 2024. See the captions “THE DISTRICT—Projected Water Connections” and “THE DISTRICT—Projected Water Sales Revenues.” Capacity Fees are projected to increase in Fiscal Years 2021 through 2023 due to the development of the 473 unit Barret Ranch Sub-Division. Other Charges for Services are projected to increase in Fiscal Year 2022 and again in Fiscal Year 2023 returning to their pre-COVID-19 pandemic levels as a result of the expiration of the moratorium on water service disconnections that expired on December 31, 2021 and the resumption of collections activities in March of 2022.

The projected Operation and Maintenance Costs are projected to increase at an inflationary rate of 5.0% per annum with the exception of purchased surface water which is projected to grow at a rate of 8.0% per annum.

APPENDIX B

**SACRAMENTO SUBURBAN WATER DISTRICT ANNUAL COMPREHENSIVE FINANCIAL
REPORT AND COMPLIANCE REPORT**

APPENDIX C

SUMMARY OF 2022 INDENTURES

The following is a summary of certain provisions of the 2022 Indentures which are not described elsewhere. This summary does not purport to be comprehensive and reference should be made to the respective agreement for a full and complete statement of the provisions thereof.

[TO BE INSERTED BY BOND COUNSEL]

APPENDIX D

FORM OF OPINION OF BOND COUNSEL WITH RESPECT TO THE 2022A BONDS

Upon issuance of the 2022A Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

_____, 2022

Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, California 95821

*Re: Sacramento Suburban Water District
Refunding Revenue Bonds, Series 2022A*

Members of the Board of Directors:

We have examined a certified copy of the record of the proceedings of the Sacramento Suburban Water District (the “District”) relative to the issuance of the \$ _____ Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022A (the “2022A Bonds”), dated the date hereof, and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the District, the initial purchaser of the 2022A Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us

The 2022A Bonds are being issued pursuant to an Indenture of Trust, dated as of March 1, 2022 (the “Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The 2022A Bonds mature on the dates and in the amounts referenced in the Indenture. The 2022A Bonds are dated their date of delivery and bear interest payable at maturity at the rates per annum referenced in the Indenture. The 2022A Bonds are registered in the form set forth in the Indenture.

Based on our examination as Bond Counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. The proceedings of the District show lawful authority for the issuance and sale of the 2022A Bonds under the laws of the State of California now in force, and the Indenture has been duly authorized, executed and delivered by the District, and, assuming due authorization, execution and delivery by the Trustee of the Indenture, the 2022A Bonds and the Indenture are valid and binding obligations of the District enforceable against the District in accordance with their respective terms.

2. The obligation of the District to make the payments of principal of and interest on the 2022A Bonds from Net Revenues (as defined in the Indenture) is an enforceable obligation of the District and does not constitute an indebtedness of the District in contravention of any constitutional or statutory debt limit or restriction.

3. Under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the 2022A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.

4. Interest (and original issue discount) on the 2022A Bonds is exempt from State of California personal income tax.

5. The excess of the stated redemption price at maturity over the issue price of a 2022A Bond (the first price at which a substantial amount of the 2022A Bond of a maturity is to be sold to the public) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a 2022A Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a 2022A Bond Owner will increase the Owner's basis in the applicable 2022A Bond. Original issue discount that accrues to the 2022A Bond Owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and is exempt from State of California personal income tax.

6. The amount by which a 2022A Bond Owner's original basis for determining gain or loss on sale or exchange of the applicable 2022A Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes "amortizable bond premium" which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable bond premium reduces the 2022A Bond Owner's basis in the applicable 2022A Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a 2022A Bond Owner realizing a taxable gain when a 2022A Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the 2022A Bond to the Owner. Purchasers of the 2022A Bond should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the 2022A Bonds are based upon certain representations of fact and certifications made by the District and are subject to the condition that the District comply with all requirements of the Code, that must be satisfied subsequent to the issuance of the 2022A Bonds to assure that such interest (and original issue discount) on the 2022A Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the 2022A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2022A Bonds. The District has covenanted to comply with all such requirements.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the 2022A Bonds terminates on the date of their issuance. The Indenture and the Tax Certificate permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) on the 2022A Bonds for federal income tax purposes with respect to any 2022A Bond if any such action is taken or omitted based upon the opinion or advice of counsel other than ourselves. Other than expressly stated herein, we express no other opinion regarding tax consequences with respect to the 2022A Bonds.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the Indenture or the 2022A Bonds, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Indenture or the 2022A Bonds or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets

The opinions that are expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters which are not directly addressed by such

authorities. We call attention to the fact that the rights and obligations under the Indenture and the 2022A Bonds 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, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the 2022A Bonds or other offering material relating to the 2022A Bonds and expressly disclaim any duty to advise the owners of the 2022A Bonds with respect to matters contained in the Official Statement.

Respectfully submitted,

APPENDIX E

FORM OF OPINION OF BOND COUNSEL WITH RESPECT TO THE 2022B BONDS

Upon issuance of the 2022B Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

_____, 2022

Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, California 95821

*Re: Sacramento Suburban Water District
Refunding Revenue Bonds, Series 2022B (Taxable)*

Members of the Board of Directors:

We have examined a certified copy of the record of the proceedings of the Sacramento Suburban Water District (the “District”) relative to the issuance of the \$ _____ Sacramento Suburban Water District Refunding Revenue Bonds, Series 2022B (Taxable) (the “2022B Bonds”), dated the date hereof, and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the District, the initial purchaser of the 2022B Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us

The 2022B Bonds are being issued pursuant to an Indenture of Trust, dated as of March 1, 2022 (the “Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The 2022B Bonds mature on the dates and in the amounts referenced in the Indenture. The 2022B Bonds are dated their date of delivery and bear interest payable at maturity at the rates per annum referenced in the Indenture. The 2022B Bonds are registered in the form set forth in the Indenture.

Based on our examination as Bond Counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. The proceedings of the District show lawful authority for the issuance and sale of the 2022B Bonds under the laws of the State of California now in force, and the Indenture has been duly authorized, executed and delivered by the District, and, assuming due authorization, execution and delivery by the Trustee of the Indenture, the 2022B Bonds and the Indenture are valid and binding obligations of the District enforceable against the District in accordance with their respective terms.

2. The obligation of the District to make the payments of principal of and interest on the 2022B Bonds from Net Revenues (as defined in the Indenture) is an enforceable obligation of the District and does not constitute an indebtedness of the District in contravention of any constitutional or statutory debt limit or restriction.

3. Interest (and original issue discount) on the 2022B Bonds is exempt from State of California personal income tax.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of

remedies, waiver or severability provisions contained in the Indenture or the 2022B Bonds, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Indenture or the 2022B Bonds or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets

The opinions that are expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters which are not directly addressed by such authorities. We call attention to the fact that the rights and obligations under the Indenture and the 2022B Bonds 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, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the 2022B Bonds or other offering material relating to the 2022B Bonds and expressly disclaim any duty to advise the owners of the 2022B Bonds with respect to matters contained in the Official Statement.

Respectfully submitted,

APPENDIX F

INFORMATION CONCERNING DTC

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the District and the Underwriter believe to be reliable, but neither the District nor the Underwriter take any responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the 2022 Bonds (the "Obligations"), payment of principal, premium, if any, accreted value, if any, and interest on the Obligations to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Obligations 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, will act as securities depository for the Obligations. The Obligations will be issued as 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 2022 Bonds, will be issued for each annual maturity of the Obligations, each in the aggregate principal amount of such annual 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 3,500,000 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.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each 2022 Bond, as applicable ("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 Obligations 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 Obligations representing their ownership interests in Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations 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 Obligations 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 Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings 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 Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions or prepayments, tenders, defaults, and proposed amendments to the Obligations documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations 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 or prepayment notices shall be sent to DTC. If less than all of the Obligations 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 Obligations 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 Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption or prepayment proceeds, distributions, and dividend payments on the Obligations 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 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 or prepayment 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.

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

DTC may discontinue providing its services as depository with respect to the Obligations 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, physical certificates 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, Obligations will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE OBLIGATIONS, WILL SEND ANY NOTICE OF REDEMPTION OR PREPAYMENT OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OR PREPAYMENT OF THE OBLIGATIONS CALLED FOR REDEMPTION OR PREPAYMENT OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATES

At the respective times of issuance of the 2022A Bonds and the 2022B Bonds, there will be executed and delivered separate Continuing Disclosure Certificates each in substantially the following form:

EXHIBIT F

2022A CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Sacramento Suburban Water District (the “District”) in connection with the issuance of its \$_____ Refunding Revenue Bonds, Series 2022A (the “Bonds”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of March 1, 2022 (the “Indenture”), by and between the District and U.S Bank Trust Company, National Association, as trustee (the “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 Indenture, 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/>.

Financial Obligation. The term “Financial Obligation” means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Fiscal Year. The term “Fiscal Year” means the one-year period ending on the last day of December 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 dated _____, 2022 relating to the Bonds.

Participating Underwriter. The term “Participating Underwriter” means the original underwriter 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 Fiscal Year 2022) 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 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 come available.

(b) Principal amount of the Bonds outstanding.

(c) An update of the last Fiscal Year only of the financial information in the following tables under the caption entitled “THE DISTRICT” in the Official Statement:

(i) “SACRAMENTO SUBURBAN WATER DISTRICT HISTORIC WATER SUPPLY IN ACRE FEET PER YEAR;”

(ii) “SACRAMENTO SUBURBAN WATER DISTRICT HISTORIC WATER CONNECTIONS;”

(iii) “SACRAMENTO SUBURBAN WATER DISTRICT HISTORIC WATER DELIVERIES IN ACRE FEET PER YEAR;”

(iv) The table showing the District’s ten largest customers under the caption “—Largest Customers”; and

(v) The table showing water sales revenues and amounts transferred to the tax roll under the caption “—Collection Procedures.”

(d) A table showing Net Revenues of the District and debt service coverage on the Bonds and any parity obligations for the last Fiscal Year presented in a similar format as the table entitled “SACRAMENTO SUBURBAN WATER DISTRICT HISTORIC OPERATING RESULTS” under the caption “WATER SYSTEM FINANCIAL INFORMATION—Historic Operating Results and Debt Service Coverage.”

(e) Information on rates of the District as of the last day of the prior Fiscal Year.

If the information in sections 4(c), 4(d) and/or 4(e) above can be derived from the audited financial statements required to be filed in 4(a) above, failure to file separate tables under sections 4(c), 4(d) and/or 4(e) above shall not constitute a default or non-compliance hereunder. 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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB);
6. tender offers;
7. defeasances;
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.

10. default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(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. unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds;

2. modifications to the rights of Bond holders;

3. optional, unscheduled or contingent Bond redemptions;

4. release, substitution or sale of property securing repayment of the Bonds;

5. non-payment related defaults;

6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. appointment of a successor or additional trustee or the change of the name of a trustee; and

8. incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material.

(c) 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. 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.

7. 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(c).

8. 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 Stradling Yocca Carlson & Rauth, a Professional Corporation, or another nationally recognized bond counsel, such amendment or waiver is permitted by the Rule. The District will provide notice of such amendment to the Municipal Securities Rulemaking Board.

9. 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.

10. Default. In the event of a failure of the District to file an annual report under Section 4 hereof or to file a report of a Listed Event under Section 5 hereof, any Holders or Beneficial Owners 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 make such filing. Notwithstanding the foregoing, no action may be undertaken by Holders or Beneficial Owners of the Bonds with respect to the accuracy of the information contained in any such filing or otherwise without the approval in writing of Holders or Beneficial Owners of at least 50% of the aggregate principal amount of the Bonds. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, 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 Holders or Beneficial Owners 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 Holders or Beneficial Owners and a written notice of and request to cure such failure, and the District shall have refused to comply therewith within a reasonable time.

11. 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: _____, 2022

SACRAMENTO SUBURBAN WATER DISTRICT

By: _____
Its: President, Board of Directors

EXHIBIT G
2022B CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Sacramento Suburban Water District (the “District”) in connection with the issuance of its \$ _____ Refunding Revenue Bonds, Series 2022B (Taxable) (the “Bonds”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of March 1, 2022 (the “Indenture”), by and between the District and U.S Bank Trust Company, National Association, as trustee (the “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 Indenture, 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/>.

Financial Obligation. The term “Financial Obligation” means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Fiscal Year. The term “Fiscal Year” means the one-year period ending on the last day of December 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 dated _____, 2022 relating to the Bonds.

Participating Underwriter. The term “Participating Underwriter” means the original underwriter 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 Fiscal Year 2022) 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 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 come available.

(b) Principal amount of the Bonds outstanding.

(c) An update of the last Fiscal Year only of the financial information in the following tables under the caption entitled “THE DISTRICT” in the Official Statement:

(i) “SACRAMENTO SUBURBAN WATER DISTRICT HISTORIC WATER SUPPLY IN ACRE FEET PER YEAR;”

(ii) “SACRAMENTO SUBURBAN WATER DISTRICT HISTORIC WATER CONNECTIONS;”

(iii) “SACRAMENTO SUBURBAN WATER DISTRICT HISTORIC WATER DELIVERIES IN ACRE FEET PER YEAR;”

(iv) The table showing the District’s ten largest customers under the caption “—Largest Customers”; and

(v) The table showing water sales revenues and amounts transferred to the tax roll under the caption “—Collection Procedures.”

(d) A table showing Net Revenues of the District and debt service coverage on the Bonds and any parity obligations for the last Fiscal Year presented in a similar format as the table entitled “SACRAMENTO SUBURBAN WATER DISTRICT HISTORIC OPERATING RESULTS” under the caption “WATER SYSTEM FINANCIAL INFORMATION—Historic Operating Results and Debt Service Coverage.”

(e) Information on rates of the District as of the last day of the prior Fiscal Year.

If the information in sections 4(c), 4(d) and/or 4(e) above can be derived from the audited financial statements required to be filed in 4(a) above, failure to file separate tables under sections 4(c), 4(d) and/or 4(e) above shall not constitute a default or non-compliance hereunder. 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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB);
6. tender offers;
7. defeasances;
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.

10. default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(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. unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds;

2. modifications to the rights of Bond holders;

3. optional, unscheduled or contingent Bond redemptions;

4. release, substitution or sale of property securing repayment of the Bonds;

5. non-payment related defaults;

6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. appointment of a successor or additional trustee or the change of the name of a trustee; and

8. incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material.

(c) 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. 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.

7. 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(c).

8. 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 Stradling Yocca Carlson & Rauth, a Professional Corporation, or another nationally recognized bond counsel, such amendment or waiver is permitted by the Rule. The District will provide notice of such amendment to the Municipal Securities Rulemaking Board.

9. 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.

10. Default. In the event of a failure of the District to file an annual report under Section 4 hereof or to file a report of a Listed Event under Section 5 hereof, any Holders or Beneficial Owners 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 make such filing. Notwithstanding the foregoing, no action may be undertaken by Holders or Beneficial Owners of the Bonds with respect to the accuracy of the information contained in any such filing or otherwise without the approval in writing of Holders or Beneficial Owners of at least 50% of the aggregate principal amount of the Bonds. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, 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 Holders or Beneficial Owners 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 Holders or Beneficial Owners and a written notice of and request to cure such failure, and the District shall have refused to comply therewith within a reasonable time.

11. 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: _____, 2022

SACRAMENTO SUBURBAN WATER DISTRICT

By: _____
Its: President, Board of Directors

EXHIBIT H
SWAP TERMINATION AGREEMENT

TERMINATION AGREEMENT

THIS TERMINATION AGREEMENT (this “**Termination Agreement**”), is dated as of [DATE TBD], between WELLS FARGO BANK, N.A. (“**WFBNA**”) and SACRAMENTO SUBURBAN WATER DISTRICT (“**COUNTERPARTY**”).

WHEREAS, WFBNA and COUNTERPARTY have entered into an ISDA Master Agreement (including all Schedules and Annexes thereto) dated as of April 11, 2012, as amended from time to time (the “**Agreement**”).

WHEREAS, WFBNA and COUNTERPARTY desire to terminate the Agreement in whole as hereinafter provided;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Termination, Release and Discharge.**

1.1 With effect from and including [DATE TBD] (the “**Termination Date**”), and in consideration of the mutual representations, warranties and covenants contained in this Termination Agreement, the Agreement is hereby terminated in whole, and WFBNA and COUNTERPARTY are each released and discharged from further obligations to each other with respect to the Agreement and their respective rights against each other thereunder are cancelled.

1.2 The parties waive any notice requirements or notice periods set forth in the Agreement regarding termination.

1.3 The parties agree that no transactions are outstanding under the Agreement, no obligations currently exist, and no payments are owed or will be owed by WFBNA and COUNTERPARTY to any other party in connection with the termination of the Agreement or otherwise thereunder other than such rights and obligations as survive the termination of the Agreement by its terms.

2. **Representations and Warranties.** On the date of this Termination Agreement and on the Termination Date, each of the parties makes to the other parties the following representations and warranties:

(i) It has the power to execute this Termination Agreement and any other documentation relating to this Termination Agreement to which it is a party, to deliver this Termination Agreement, and it has taken all necessary action to authorize such execution and delivery;

(ii) Such execution and delivery do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iii) All governmental and other consents that are required to have been obtained by it with respect to this Termination Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(iv) Its obligations under this Termination Agreement constitute legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

3. **Governing Law.** This Termination 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.

4. **Counterparts.** This Termination Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

5. **Costs and Expenses.** The parties shall each pay their own costs and expenses (including legal fees) incurred in connection with this Termination Agreement and as a result of the negotiation, preparation and execution of this Termination Agreement.

6. **Amendments.** No amendment, modification or waiver in respect of this Termination Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties.

IN WITNESS WHEREOF, the parties have executed this Termination Agreement as of the date first above written.

Wells Fargo Bank, N.A.

DRAFT

By: _____
Name:
Title:

SACRAMENTO SUBURBAN WATER DISTRICT

DRAFT

By: _____
Name:
Title:

EXHIBIT I

GOOD FAITH ESTIMATES
(2022A BONDS)

Set forth below are **good faith estimates** of Fieldman, Rolapp & Associates, Inc., the municipal advisor, as required under Section 5852.1 of the California Government Code (the “Code”). **The following estimates are based on market conditions as of February 17, 2022 and have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by resolution.**

- (a) The true interest cost of the 2022A Bonds is estimated at 1.73%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- (b) The finance charge of the 2022A Bonds, including all fees and charges paid to third parties, is estimated at \$5,631,881.
- (c) Proceeds of the 2022A Bonds expected to be received by the District for the sale of the Bonds, plus the District’s cash contribution in the amount of \$5,274,000 for the swap termination, less the finance charge described in (b) above and any capitalized interest or reserves paid from proceeds of the 2022A Bonds (if any), is equal to \$42,028,314.
- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$46,806,344.

The foregoing are estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth above.

EXHIBIT J

GOOD FAITH ESTIMATES
(2022B BONDS)

Set forth below are **good faith estimates** of Fieldman, Rolapp & Associates, Inc., the municipal advisor, as required under Section 5852.1 of the California Government Code (the “Code”). **The following estimates are based on market conditions as of February 17, 2022 and have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by resolution.**

- (a) The true interest cost of the 2022B Bonds is estimated at 1.80%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- (b) The finance charge of the 2022B Bonds, including all fees and charges paid to third parties, is estimated at \$67,265.
- (c) Proceeds of the 2022B Bonds expected to be received by the District for the sale of the Bonds, less the finance charge described in (b) above and any capitalized interest or reserves paid from proceeds of the 2022B Bonds (if any), is equal to \$6,532,735.
- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$6,854,453.

The foregoing are estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth above.

SOURCES AND USES OF FUNDS

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
Sacramento Suburban Water District

Dated Date 03/16/2022
Delivery Date 03/16/2022

Sources:	Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)	Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)	Taxable Refunding of SSWD 2012A bonds	Total
Bond Proceeds:				
Par Amount	27,875,000.00	7,240,000.00	6,600,000.00	41,715,000.00
Premium	5,733,183.80	1,538,009.90		7,271,193.70
	<u>33,608,183.80</u>	<u>8,778,009.90</u>	<u>6,600,000.00</u>	<u>48,986,193.70</u>
Other Sources of Funds:				
Swap Termination Payment	5,274,000.00			5,274,000.00
	<u>38,882,183.80</u>	<u>8,778,009.90</u>	<u>6,600,000.00</u>	<u>54,260,193.70</u>

Uses:	Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)	Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)	Taxable Refunding of SSWD 2012A bonds	Total
Refunding Escrow Deposits:				
Cash Deposit	33,320,000.00	8,705,000.00	0.80	42,025,000.80
SLGS Purchases			6,532,420.00	6,532,420.00
	<u>33,320,000.00</u>	<u>8,705,000.00</u>	<u>6,532,420.80</u>	<u>48,557,420.80</u>
Delivery Date Expenses:				
Cost of Issuance	200,467.46	52,067.60	47,464.94	300,000.00
Underwriter's Discount	83,625.00	21,720.00	19,800.00	125,145.00
Termination Expense	5,274,000.00			5,274,000.00
	<u>5,558,092.46</u>	<u>73,787.60</u>	<u>67,264.94</u>	<u>5,699,145.00</u>
Other Uses of Funds:				
Additional Proceeds	4,091.34	-777.70	314.26	3,627.90
	<u>38,882,183.80</u>	<u>8,778,009.90</u>	<u>6,600,000.00</u>	<u>54,260,193.70</u>

SUMMARY OF REFUNDING RESULTS

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
Sacramento Suburban Water District

	Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)	Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)	Taxable Refunding of SSWD 2012A bonds	Total
Dated Date	03/16/2022	03/16/2022	03/16/2022	03/16/2022
Delivery Date	03/16/2022	03/16/2022	03/16/2022	03/16/2022
Arbitrage Yield	1.681931%	1.681931%	1.681931%	1.681931%
Escrow Yield			0.802492%	0.802492%
Value of Negative Arbitrage			34,934.68	34,934.68
Bond Par Amount	27,875,000.00	7,240,000.00	6,600,000.00	41,715,000.00
True Interest Cost	1.719731%	1.747703%	1.798347%	1.729861%
Net Interest Cost	1.926278%	1.968936%	1.796612%	1.926899%
Average Coupon	5.000000%	5.000000%	1.666904%	4.795739%
Average Life	6.594	6.910	2.313	5.971
Par amount of refunded bonds	33,300,000.00	8,700,000.00	6,265,000.00	48,265,000.00
Average coupon of refunded bonds	3.287150%	0.450569%	4.669554%	2.815647%
Average life of refunded bonds	8.857	8.852	3.709	8.188
PV of prior debt	39,376,955.45	8,273,124.61	7,045,393.32	54,695,473.38
Net PV Savings	509,346.54	-518,642.37	448,203.41	438,907.58
Percentage savings of refunded bonds	1.529569%	-5.961407%	7.154085%	0.909370%
Percentage savings of refunding bonds	1.827252%	-7.163569%	6.790961%	1.052158%

SAVINGS

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
Sacramento Suburban Water District

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 03/16/2022 @ 1.6819307%
12/31/2022	1,366,539.97	1,428,290.63	-61,750.66	-57,876.31
12/31/2023	3,987,990.68	5,461,433.00	-1,473,442.32	-1,432,574.21
12/31/2024	4,034,261.30	5,461,848.00	-1,427,586.70	-1,364,960.37
12/31/2025	4,035,057.01	5,455,725.00	-1,420,667.99	-1,335,885.22
12/31/2026	4,029,452.41	5,463,750.00	-1,434,297.59	-1,326,167.28
12/31/2027	4,040,138.18	5,441,500.00	-1,401,361.82	-1,273,890.23
12/31/2028	5,643,208.71	6,995,500.00	-1,352,291.29	-1,208,438.08
12/31/2029	5,691,232.28	6,996,500.00	-1,305,267.72	-1,146,657.57
12/31/2030	5,740,187.66	6,997,750.00	-1,257,562.34	-1,085,959.33
12/31/2031	5,757,616.62	3,958,500.00	1,799,116.62	1,534,040.87
12/31/2032	5,789,829.36		5,789,829.36	4,848,579.23
12/31/2033	5,843,042.14		5,843,042.14	4,811,021.16
12/31/2034	5,864,994.33		5,864,994.33	4,748,047.02
	61,823,550.65	53,660,796.63	8,162,754.02	5,709,279.68

Savings Summary

PV of savings from cash flow	5,709,279.68
Less: Prior funds on hand	-5,274,000.00
Plus: Refunding funds on hand	3,627.90
Net PV Savings	438,907.58

SAVINGS

Sacramento Suburban WD Outstanding Bonds
 Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 03/16/2022 @ 1.6819307%
12/31/2022	985,131.61	906,093.75	79,037.86	80,316.75
12/31/2023	2,205,767.58	1,987,000.00	218,767.58	214,483.30
12/31/2024	2,247,372.43	1,982,250.00	265,122.43	255,238.72
12/31/2025	2,245,827.85	3,636,250.00	-1,390,422.15	-1,307,135.56
12/31/2026	2,245,635.58	4,706,000.00	-2,460,364.42	-2,275,378.25
12/31/2027	2,249,240.79	4,676,500.00	-2,427,259.21	-2,207,007.41
12/31/2028	4,636,554.25	5,594,750.00	-958,195.75	-855,078.17
12/31/2029	4,654,713.27	5,568,000.00	-913,286.73	-801,201.11
12/31/2030	4,674,141.18	5,540,750.00	-866,608.82	-747,315.16
12/31/2031	4,662,424.50	2,467,500.00	2,194,924.50	1,870,995.42
12/31/2032	4,665,969.81		4,665,969.81	3,907,799.54
12/31/2033	4,681,004.79		4,681,004.79	3,854,485.79
12/31/2034	4,680,236.12		4,680,236.12	3,789,051.33
	44,834,019.76	37,065,093.75	7,768,926.01	5,779,255.20

Savings Summary

PV of savings from cash flow	5,779,255.20
Less: Prior funds on hand	-5,274,000.00
Plus: Refunding funds on hand	4,091.34
Net PV Savings	509,346.54

SAVINGS

Sacramento Suburban WD Outstanding Bonds
 Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 03/16/2022 @ 1.6819307%
12/31/2022	81,808.36	226,250.00	-144,441.64	-143,054.79
12/31/2023	327,623.10	722,000.00	-394,376.90	-384,878.18
12/31/2024	350,038.87	744,000.00	-393,961.13	-378,024.12
12/31/2025	357,129.16	749,000.00	-391,870.84	-369,711.40
12/31/2026	364,216.83	757,750.00	-393,533.17	-365,037.91
12/31/2027	371,297.39	765,000.00	-393,702.61	-359,053.95
12/31/2028	1,006,654.46	1,400,750.00	-394,095.54	-353,359.92
12/31/2029	1,036,519.01	1,428,500.00	-391,980.99	-345,456.46
12/31/2030	1,066,046.48	1,457,000.00	-390,953.52	-338,644.17
12/31/2031	1,095,192.12	1,491,000.00	-395,807.88	-336,954.56
12/31/2032	1,123,859.55		1,123,859.55	940,779.70
12/31/2033	1,162,037.35		1,162,037.35	956,535.38
12/31/2034	1,184,758.21		1,184,758.21	958,995.69
	9,527,180.89	9,741,250.00	-214,069.11	-517,864.67

Savings Summary

PV of savings from cash flow	-517,864.67
Plus: Refunding funds on hand	-777.70
Net PV Savings	-518,642.37

SAVINGS

Taxable Refunding of SSWD 2012A bonds
Sacramento Suburban Water District

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 03/16/2022 @ 1.6819307%
12/31/2022	299,600.00	295,946.88	3,653.12	4,861.73
12/31/2023	1,454,600.00	2,752,433.00	-1,297,833.00	-1,262,179.34
12/31/2024	1,436,850.00	2,735,598.00	-1,298,748.00	-1,242,174.98
12/31/2025	1,432,100.00	1,070,475.00	361,625.00	340,961.74
12/31/2026	1,419,600.00		1,419,600.00	1,314,248.88
12/31/2027	1,419,600.00		1,419,600.00	1,292,171.13
	7,462,350.00	6,854,452.88	607,897.12	447,889.15

Savings Summary

PV of savings from cash flow	447,889.15
Plus: Refunding funds on hand	314.26
Net PV Savings	448,203.41

SUMMARY OF BONDS REFUNDED

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
Sacramento Suburban Water District

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Sacramento Suburban Adjustable Rate Refunding Revenue Certificates of Participation (Hedged with Swap, 2009A_Z, TERM34:	11/01/2034	3.283%	33,300,000.00	03/16/2022	100.000
Sacramento Suburban Adjustable Rate Refunding Revenue Certificates of Participation (Unhedged), 2009A_Z2, BOND2:	11/01/2023	0.000%	235,000.00	03/16/2022	100.000
	11/01/2024	0.000%	260,000.00	03/16/2022	100.000
	11/01/2025	0.000%	270,000.00	03/16/2022	100.000
	11/01/2026	0.000%	280,000.00	03/16/2022	100.000
	11/01/2027	0.000%	290,000.00	03/16/2022	100.000
	11/01/2028	0.000%	930,000.00	03/16/2022	100.000
	11/01/2029	0.000%	970,000.00	03/16/2022	100.000
	11/01/2030	0.000%	1,010,000.00	03/16/2022	100.000
	11/01/2031	0.000%	1,050,000.00	03/16/2022	100.000
	11/01/2032	0.000%	1,090,000.00	03/16/2022	100.000
	11/01/2033	0.000%	1,140,000.00	03/16/2022	100.000
	11/01/2034	0.000%	1,175,000.00	03/16/2022	100.000
			8,700,000.00		
Sacramento Suburban Refunding Revenue Bonds, 2012A, SERIAL:	11/01/2023	5.000%	1,155,000.00	11/01/2022	100.000
	11/01/2024	5.000%	1,195,000.00	11/01/2022	100.000
	11/01/2025	5.000%	1,250,000.00	11/01/2022	100.000
	11/01/2026	5.000%	1,300,000.00	11/01/2022	100.000
	11/01/2027	4.000%	1,365,000.00	11/01/2022	100.000
			6,265,000.00		
			48,265,000.00		

BOND SUMMARY STATISTICS

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
Sacramento Suburban Water District

	Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)	Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)	Taxable Refunding of SSWD 2012A bonds	Aggregate
Dated Date	03/16/2022	03/16/2022	03/16/2022	03/16/2022
Delivery Date	03/16/2022	03/16/2022	03/16/2022	03/16/2022
Last Maturity	11/01/2031	11/01/2031	11/01/2025	11/01/2031
Arbitrage Yield	1.681931%	1.681931%	1.681931%	1.681931%
True Interest Cost (TIC)	1.719731%	1.747703%	1.798347%	1.729861%
Net Interest Cost (NIC)	1.926278%	1.968936%	1.796612%	1.926899%
All-In TIC	4.887002%	1.847025%	2.119792%	4.047536%
Average Coupon	5.000000%	5.000000%	1.666904%	4.795739%
Average Life (years)	6.594	6.910	2.313	5.971
Weighted Average Maturity (years)	6.679	7.030	2.313	6.154
Duration of Issue (years)	5.813	6.062	2.275	5.381
Par Amount	27,875,000.00	7,240,000.00	6,600,000.00	41,715,000.00
Bond Proceeds	33,608,183.80	8,778,009.90	6,600,000.00	48,986,193.70
Total Interest	9,190,093.75	2,501,250.00	254,452.88	11,945,796.63
Net Interest	3,540,534.95	984,960.10	274,252.88	4,799,747.93
Total Debt Service	37,065,093.75	9,741,250.00	6,854,452.88	53,660,796.63
Maximum Annual Debt Service	5,594,750.00	1,491,000.00	2,752,433.00	6,997,750.00
Average Annual Debt Service	3,850,918.83	1,012,077.92	1,890,883.55	5,575,147.70
Underwriter's Fees (per \$1000)				
Average Takedown				
Other Fee	3.000000	3.000000	3.000000	3.000000
Total Underwriter's Discount	3.000000	3.000000	3.000000	3.000000
Bid Price	120.267476	120.943231	99.700000	117.130645

BOND SUMMARY STATISTICS

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
 Sacramento Suburban Water District

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	6,600,000.00	100.000	1.667%	2.313	1,499.50
Serials thru 2034	35,115,000.00	120.707	5.000%	6.659	24,654.05
	41,715,000.00			5.971	26,153.55

	TIC	All-In TIC	Arbitrage Yield
Par Value	41,715,000.00	41,715,000.00	41,715,000.00
+ Accrued Interest			
+ Premium (Discount)	7,271,193.70	7,271,193.70	7,271,193.70
- Underwriter's Discount	-125,145.00	-125,145.00	
- Cost of Issuance Expense		-300,000.00	
- Other Amounts		-5,274,000.00	
Target Value	48,861,048.70	43,287,048.70	48,986,193.70
Target Date	03/16/2022	03/16/2022	03/16/2022
Yield	1.729861%	4.047536%	1.681931%

BOND PRICING

Sacramento Suburban WD Outstanding Bonds
 Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
Serials thru 2034:						
	11/01/2022	35,000	5.000%	1.030%	102.465	862.75
	11/01/2023	595,000	5.000%	1.030%	106.380	37,961.00
	11/01/2024	620,000	5.000%	1.240%	109.680	60,016.00
	11/01/2025	2,305,000	5.000%	1.390%	112.717	293,126.85
	11/01/2026	3,490,000	5.000%	1.470%	115.726	548,837.40
	11/01/2027	3,635,000	5.000%	1.570%	118.395	668,658.25
	11/01/2028	4,735,000	5.000%	1.660%	120.870	988,194.50
	11/01/2029	4,945,000	5.000%	1.720%	123.343	1,154,311.35
	11/01/2030	5,165,000	5.000%	1.780%	125.638	1,324,202.70
	11/01/2031	2,350,000	5.000%	1.820%	127.958	657,013.00
		27,875,000				5,733,183.80

Dated Date	03/16/2022	
Delivery Date	03/16/2022	
First Coupon	05/01/2022	
Par Amount	27,875,000.00	
Premium	5,733,183.80	
Production	33,608,183.80	120.567476%
Underwriter's Discount	-83,625.00	-0.300000%
Purchase Price	33,524,558.80	120.267476%
Accrued Interest		
Net Proceeds	33,524,558.80	

BOND PRICING

Sacramento Suburban WD Outstanding Bonds
 Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
Serials thru 2034:						
	11/01/2023	360,000	5.000%	1.030%	106.380	22,968.00
	11/01/2024	400,000	5.000%	1.240%	109.680	38,720.00
	11/01/2025	425,000	5.000%	1.390%	112.717	54,047.25
	11/01/2026	455,000	5.000%	1.470%	115.726	71,553.30
	11/01/2027	485,000	5.000%	1.570%	118.395	89,215.75
	11/01/2028	1,145,000	5.000%	1.660%	120.870	238,961.50
	11/01/2029	1,230,000	5.000%	1.720%	123.343	287,118.90
	11/01/2030	1,320,000	5.000%	1.780%	125.638	338,421.60
	11/01/2031	1,420,000	5.000%	1.820%	127.958	397,003.60
		7,240,000				1,538,009.90

Dated Date	03/16/2022	
Delivery Date	03/16/2022	
First Coupon	05/01/2022	
Par Amount	7,240,000.00	
Premium	1,538,009.90	
Production	8,778,009.90	121.243231%
Underwriter's Discount	-21,720.00	-0.300000%
Purchase Price	8,756,289.90	120.943231%
Accrued Interest		
Net Proceeds	8,756,289.90	

BOND PRICING

Taxable Refunding of SSWD 2012A bonds
Sacramento Suburban Water District

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	11/01/2022	230,000	1.340%	1.340%	100.000
	11/01/2023	2,650,000	1.390%	1.390%	100.000
	11/01/2024	2,670,000	1.690%	1.690%	100.000
	11/01/2025	1,050,000	1.950%	1.950%	100.000
		6,600,000			

Dated Date	03/16/2022	
Delivery Date	03/16/2022	
First Coupon	11/01/2022	
Par Amount	6,600,000.00	
Original Issue Discount		
Production	6,600,000.00	100.000000%
Underwriter's Discount	-19,800.00	-0.300000%
Purchase Price	6,580,200.00	99.700000%
Accrued Interest		
Net Proceeds	6,580,200.00	

Note: Taxable Scales based on Chaffey CCD GO Bonds priced 9/15/14

BOND DEBT SERVICE

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
 Sacramento Suburban Water District

Period Ending	Principal	Coupon	Interest	Debt Service
12/31/2022	265,000	** %	1,163,290.63	1,428,290.63
12/31/2023	3,605,000	** %	1,856,433.00	5,461,433.00
12/31/2024	3,690,000	** %	1,771,848.00	5,461,848.00
12/31/2025	3,780,000	** %	1,675,725.00	5,455,725.00
12/31/2026	3,945,000	5.000%	1,518,750.00	5,463,750.00
12/31/2027	4,120,000	5.000%	1,321,500.00	5,441,500.00
12/31/2028	5,880,000	5.000%	1,115,500.00	6,995,500.00
12/31/2029	6,175,000	5.000%	821,500.00	6,996,500.00
12/31/2030	6,485,000	5.000%	512,750.00	6,997,750.00
12/31/2031	3,770,000	5.000%	188,500.00	3,958,500.00
	41,715,000		11,945,796.63	53,660,796.63

BOND DEBT SERVICE BREAKDOWN

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
 Sacramento Suburban Water District

Period Ending	Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)	Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)	Taxable Refunding of SSWD 2012A bonds	Total
12/31/2022	906,093.75	226,250	295,946.88	1,428,290.63
12/31/2023	1,987,000.00	722,000	2,752,433.00	5,461,433.00
12/31/2024	1,982,250.00	744,000	2,735,598.00	5,461,848.00
12/31/2025	3,636,250.00	749,000	1,070,475.00	5,455,725.00
12/31/2026	4,706,000.00	757,750		5,463,750.00
12/31/2027	4,676,500.00	765,000		5,441,500.00
12/31/2028	5,594,750.00	1,400,750		6,995,500.00
12/31/2029	5,568,000.00	1,428,500		6,996,500.00
12/31/2030	5,540,750.00	1,457,000		6,997,750.00
12/31/2031	2,467,500.00	1,491,000		3,958,500.00
	37,065,093.75	9,741,250	6,854,452.88	53,660,796.63

AGGREGATE DEBT SERVICE

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
Sacramento Suburban Water District

Period Ending	Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)	Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)	Taxable Refunding of SSWD 2012A bonds	2018 DS	Unrefunded Bonds	Aggregate Debt Service
12/31/2022	906,093.75	226,250	295,946.88	3,050,967.00	2,519,237.50	6,998,495.13
12/31/2023	1,987,000.00	722,000	2,752,433.00	1,534,955.80		6,996,388.80
12/31/2024	1,982,250.00	744,000	2,735,598.00	1,537,962.00		6,999,810.00
12/31/2025	3,636,250.00	749,000	1,070,475.00	1,541,678.00		6,997,403.00
12/31/2026	4,706,000.00	757,750		1,531,584.00		6,995,334.00
12/31/2027	4,676,500.00	765,000		1,558,050.00		6,999,550.00
12/31/2028	5,594,750.00	1,400,750				6,995,500.00
12/31/2029	5,568,000.00	1,428,500				6,996,500.00
12/31/2030	5,540,750.00	1,457,000				6,997,750.00
12/31/2031	2,467,500.00	1,491,000				3,958,500.00
	37,065,093.75	9,741,250	6,854,452.88	10,755,196.80	2,519,237.50	66,935,230.93

PRIOR BOND DEBT SERVICE

Sacramento Suburban WD Outstanding Bonds
Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)

Period Ending	Principal	Coupon	Interest	Debt Service	Other Cash Flow	Total
12/31/2022			778,745.61	778,745.61	206,386.00	985,131.61
12/31/2023	910,000	3.283%	1,090,783.53	2,000,783.53	204,984.05	2,205,767.58
12/31/2024	985,000	3.283%	1,063,619.15	2,048,619.15	198,753.28	2,247,372.43
12/31/2025	1,025,000	3.283%	1,028,260.32	2,053,260.32	192,567.53	2,245,827.85
12/31/2026	1,065,000	3.283%	994,501.68	2,059,501.68	186,133.90	2,245,635.58
12/31/2027	1,110,000	3.283%	959,416.24	2,069,416.24	179,824.55	2,249,240.79
12/31/2028	3,550,000	3.283%	918,927.90	4,468,927.90	167,626.35	4,636,554.25
12/31/2029	3,710,000	3.283%	799,412.74	4,509,412.74	145,300.53	4,654,713.27
12/31/2030	3,875,000	3.283%	677,168.21	4,552,168.21	121,972.97	4,674,141.18
12/31/2031	4,015,000	3.283%	549,574.17	4,564,574.17	97,850.33	4,662,424.50
12/31/2032	4,175,000	3.283%	418,504.22	4,593,504.22	72,465.59	4,665,969.81
12/31/2033	4,355,000	3.283%	279,779.08	4,634,779.08	46,225.71	4,681,004.79
12/31/2034	4,525,000	3.283%	136,345.66	4,661,345.66	18,890.46	4,680,236.12
	33,300,000		9,695,038.51	42,995,038.51	1,838,981.25	44,834,019.76

PRIOR BOND DEBT SERVICE

Sacramento Suburban WD Outstanding Bonds
Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)

Period Ending	Principal	Interest	Debt Service	Other Cash Flow	Total
12/31/2022		27,887.69	27,887.69	53,920.67	81,808.36
12/31/2023	235,000	39,063.10	274,063.10	53,560.00	327,623.10
12/31/2024	260,000	38,100.68	298,100.68	51,938.19	350,038.87
12/31/2025	270,000	36,822.62	306,822.62	50,306.54	357,129.16
12/31/2026	280,000	35,603.92	315,603.92	48,612.91	364,216.83
12/31/2027	290,000	34,340.25	324,340.25	46,957.14	371,297.39
12/31/2028	930,000	32,889.31	962,889.31	43,765.15	1,006,654.46
12/31/2029	970,000	28,598.71	998,598.71	37,920.30	1,036,519.01
12/31/2030	1,010,000	24,218.95	1,034,218.95	31,827.53	1,066,046.48
12/31/2031	1,050,000	19,659.11	1,069,659.11	25,533.01	1,095,192.12
12/31/2032	1,090,000	14,961.29	1,104,961.29	18,898.26	1,123,859.55
12/31/2033	1,140,000	9,995.82	1,149,995.82	12,041.53	1,162,037.35
12/31/2034	1,175,000	4,852.95	1,179,852.95	4,905.26	1,184,758.21
	8,700,000	346,994.40	9,046,994.40	480,186.49	9,527,180.89

PRIOR BOND DEBT SERVICE

Taxable Refunding of SSWD 2012A bonds
 Sacramento Suburban Water District

Period Ending	Principal	Coupon	Interest	Debt Service
12/31/2022			299,600	299,600
12/31/2023	1,155,000	5.000%	299,600	1,454,600
12/31/2024	1,195,000	5.000%	241,850	1,436,850
12/31/2025	1,250,000	5.000%	182,100	1,432,100
12/31/2026	1,300,000	5.000%	119,600	1,419,600
12/31/2027	1,365,000	4.000%	54,600	1,419,600
	6,265,000		1,197,350	7,462,350

ESCROW REQUIREMENTS

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
Sacramento Suburban Water District

Period Ending	Interest	Principal Redeemed	Total
03/16/2022		42,000,000.00	42,000,000.00
05/01/2022	149,800.00		149,800.00
11/01/2022	149,800.00	6,265,000.00	6,414,800.00
	299,600.00	48,265,000.00	48,564,600.00

BOND SOLUTION

Sacramento Suburban WD Outstanding Bonds
 Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/31/2022		226,250	226,250	81,808	-144,442	36.15839%
12/31/2023	360,000	722,000	722,000	327,623	-394,377	45.37716%
12/31/2024	400,000	744,000	744,000	350,039	-393,961	47.04824%
12/31/2025	425,000	749,000	749,000	357,129	-391,871	47.68080%
12/31/2026	455,000	757,750	757,750	364,217	-393,533	48.06557%
12/31/2027	485,000	765,000	765,000	371,297	-393,703	48.53561%
12/31/2028	1,145,000	1,400,750	1,400,750	1,006,654	-394,096	71.86539%
12/31/2029	1,230,000	1,428,500	1,428,500	1,036,519	-391,981	72.55996%
12/31/2030	1,320,000	1,457,000	1,457,000	1,066,046	-390,954	73.16723%
12/31/2031	1,420,000	1,491,000	1,491,000	1,095,192	-395,808	73.45353%
12/31/2032				1,123,860	1,123,860	
12/31/2033				1,162,037	1,162,037	
12/31/2034				1,184,758	1,184,758	
	7,240,000	9,741,250	9,741,250	9,527,181	-214,069	

BOND SOLUTION

Taxable Refunding of SSWD 2012A bonds
Sacramento Suburban Water District

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/31/2022	230,000	295,947	295,947	299,600	3,653	101.23438%
12/31/2023	2,650,000	2,752,433	2,752,433	2,754,600	2,167	100.07873%
12/31/2024	2,670,000	2,735,598	2,735,598	2,736,850	1,252	100.04577%
12/31/2025	1,050,000	1,070,475	1,070,475	2,732,100	1,661,625	255.22315%
12/31/2026				1,419,600	1,419,600	
12/31/2027				1,419,600	1,419,600	
	6,600,000	6,854,453	6,854,453	11,362,350	4,507,897	

UNIVERSAL BOND SOLUTION

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
 Sacramento Suburban Water District
 Universal Bond Solution Component

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/31/2022	35,000	906,094	6,092,401	6,998,495	7,000,000	1,505	100.02150%
12/31/2023	595,000	1,987,000	5,009,389	6,996,389	7,000,000	3,611	100.05162%
12/31/2024	620,000	1,982,250	5,017,560	6,999,810	7,000,000	190	100.00271%
12/31/2025	2,305,000	3,636,250	3,361,153	6,997,403	7,000,000	2,597	100.03711%
12/31/2026	3,490,000	4,706,000	2,289,334	6,995,334	7,000,000	4,666	100.06670%
12/31/2027	3,635,000	4,676,500	2,323,050	6,999,550	7,000,000	450	100.00643%
12/31/2028	4,735,000	5,594,750	1,400,750	6,995,500	7,000,000	4,500	100.06433%
12/31/2029	4,945,000	5,568,000	1,428,500	6,996,500	7,000,000	3,500	100.05003%
12/31/2030	5,165,000	5,540,750	1,457,000	6,997,750	7,000,000	2,250	100.03215%
12/31/2031	2,350,000	2,467,500	1,491,000	3,958,500	7,000,000	3,041,500	176.83466%
12/31/2032					7,000,000	7,000,000	
12/31/2033					7,000,000	7,000,000	
12/31/2034					7,000,000	7,000,000	
	27,875,000	37,065,094	29,870,137	66,935,231	91,000,000	24,064,769	

SOURCES AND USES OF FUNDS

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
Sacramento Suburban Water DistrictDated Date 03/16/2022
Delivery Date 03/16/2022

Sources:	Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)	Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)	Taxable Refunding of SSWD 2012A bonds	Total
Bond Proceeds:				
Par Amount	27,870,000.00	7,245,000.00	6,600,000.00	41,715,000.00
Premium	5,738,534.20	1,532,659.50		7,271,193.70
	<u>33,608,534.20</u>	<u>8,777,659.50</u>	<u>6,600,000.00</u>	<u>48,986,193.70</u>
Other Sources of Funds:				
Swap Termination Payment	5,274,000.00			5,274,000.00
	<u>38,882,534.20</u>	<u>8,777,659.50</u>	<u>6,600,000.00</u>	<u>54,260,193.70</u>

Uses:	Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)	Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)	Taxable Refunding of SSWD 2012A bonds	Total
Refunding Escrow Deposits:				
Cash Deposit	33,320,000.00	8,705,000.00	0.80	42,025,000.80
SLGS Purchases			6,532,420.00	6,532,420.00
	<u>33,320,000.00</u>	<u>8,705,000.00</u>	<u>6,532,420.80</u>	<u>48,557,420.80</u>
Delivery Date Expenses:				
Cost of Issuance	200,431.50	52,103.56	47,464.94	300,000.00
Underwriter's Discount	83,610.00	21,735.00	19,800.00	125,145.00
Termination Expense	5,274,000.00			5,274,000.00
	<u>5,558,041.50</u>	<u>73,838.56</u>	<u>67,264.94</u>	<u>5,699,145.00</u>
Other Uses of Funds:				
Additional Proceeds	4,492.70	-1,179.06	314.26	3,627.90
	<u>38,882,534.20</u>	<u>8,777,659.50</u>	<u>6,600,000.00</u>	<u>54,260,193.70</u>

SUMMARY OF REFUNDING RESULTS

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
Sacramento Suburban Water District

	Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)	Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)	Taxable Refunding of SSWD 2012A bonds	Total
Dated Date	03/16/2022	03/16/2022	03/16/2022	03/16/2022
Delivery Date	03/16/2022	03/16/2022	03/16/2022	03/16/2022
Arbitrage Yield	1.681931%	1.681931%	1.681931%	1.681931%
Escrow Yield			0.802492%	0.802492%
Value of Negative Arbitrage			34,934.68	34,934.68
Bond Par Amount	27,870,000.00	7,245,000.00	6,600,000.00	41,715,000.00
True Interest Cost	1.720159%	1.746244%	1.798347%	1.729861%
Net Interest Cost	1.926901%	1.966814%	1.796612%	1.926899%
Average Coupon	5.000000%	5.000000%	1.666904%	4.795739%
Average Life	6.603	6.876	2.313	5.971
Par amount of refunded bonds	33,300,000.00	8,700,000.00	6,265,000.00	48,265,000.00
Average coupon of refunded bonds	3.287150%	1.301644%	4.669554%	2.981502%
Average life of refunded bonds	8.857	8.852	3.709	8.188
PV of prior debt	39,376,955.45	8,877,312.20	7,045,393.32	55,299,660.97
Net PV Savings	508,466.62	86,425.15	448,203.41	1,043,095.18
Percentage savings of refunded bonds	1.526927%	0.993393%	7.154085%	2.161183%
Percentage savings of refunding bonds	1.824423%	1.192894%	6.790961%	2.500528%

SAVINGS

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
Sacramento Suburban Water District

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 03/16/2022 @ 1.6819307%
12/31/2022	1,419,216.64	1,428,290.63	-9,073.99	-5,547.57
12/31/2023	4,061,776.45	5,461,433.00	-1,399,656.55	-1,360,315.80
12/31/2024	4,106,229.31	5,461,848.00	-1,355,618.69	-1,295,651.61
12/31/2025	4,104,610.91	5,455,725.00	-1,351,114.09	-1,270,014.72
12/31/2026	4,096,704.31	5,463,750.00	-1,367,045.69	-1,263,534.65
12/31/2027	4,105,003.09	5,441,500.00	-1,336,496.91	-1,214,483.91
12/31/2028	5,705,333.03	6,995,500.00	-1,290,166.97	-1,152,482.85
12/31/2029	5,745,252.16	6,996,500.00	-1,251,247.84	-1,098,810.01
12/31/2030	5,785,934.56	6,997,750.00	-1,211,815.44	-1,046,111.62
12/31/2031	5,794,750.61	3,958,500.00	1,836,250.61	1,565,850.14
12/31/2032	5,818,089.67		5,818,089.67	4,872,386.80
12/31/2033	5,861,923.21		5,861,923.21	4,826,664.71
12/31/2034	5,874,160.91		5,874,160.91	4,755,518.37
	62,478,984.86	53,660,796.63	8,818,188.23	6,313,467.27

Savings Summary

PV of savings from cash flow	6,313,467.27
Less: Prior funds on hand	-5,274,000.00
Plus: Refunding funds on hand	3,627.90
Net PV Savings	1,043,095.17

SAVINGS

Sacramento Suburban WD Outstanding Bonds
 Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 03/16/2022 @ 1.6819307%
12/31/2022	985,131.61	905,937.50	79,194.11	80,471.63
12/31/2023	2,205,767.58	1,976,750.00	229,017.58	224,459.11
12/31/2024	2,247,372.43	1,972,500.00	274,872.43	264,568.34
12/31/2025	2,245,827.85	3,627,000.00	-1,381,172.15	-1,298,433.43
12/31/2026	2,245,635.58	4,697,250.00	-2,451,614.42	-2,267,285.34
12/31/2027	2,249,240.79	4,673,250.00	-2,424,009.21	-2,204,056.32
12/31/2028	4,636,554.25	5,596,750.00	-960,195.75	-856,875.64
12/31/2029	4,654,713.27	5,575,000.00	-920,286.73	-807,369.26
12/31/2030	4,674,141.18	5,552,500.00	-878,358.82	-757,491.03
12/31/2031	4,662,424.50	2,493,750.00	2,168,674.50	1,848,649.20
12/31/2032	4,665,969.81		4,665,969.81	3,907,799.54
12/31/2033	4,681,004.79		4,681,004.79	3,854,485.79
12/31/2034	4,680,236.12		4,680,236.12	3,789,051.33
	44,834,019.76	37,070,687.50	7,763,332.26	5,777,973.92

Savings Summary

PV of savings from cash flow	5,777,973.92
Less: Prior funds on hand	-5,274,000.00
Plus: Refunding funds on hand	4,492.70
Net PV Savings	508,466.62

SAVINGS

Sacramento Suburban WD Outstanding Bonds
 Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 03/16/2022 @ 1.6819307%
12/31/2022	134,485.03	226,406.25	-91,921.22	-90,880.92
12/31/2023	401,408.87	732,250.00	-330,841.13	-322,595.57
12/31/2024	422,006.88	753,750.00	-331,743.12	-318,044.97
12/31/2025	426,683.06	758,250.00	-331,566.94	-312,543.03
12/31/2026	431,468.73	766,500.00	-335,031.27	-310,498.19
12/31/2027	436,162.30	768,250.00	-332,087.70	-302,598.72
12/31/2028	1,068,778.78	1,398,750.00	-329,971.22	-295,607.21
12/31/2029	1,090,538.89	1,421,500.00	-330,961.11	-291,440.75
12/31/2030	1,111,793.38	1,445,250.00	-333,456.62	-288,620.58
12/31/2031	1,132,326.11	1,464,750.00	-332,423.89	-282,799.06
12/31/2032	1,152,119.86		1,152,119.86	964,587.26
12/31/2033	1,180,918.42		1,180,918.42	972,178.92
12/31/2034	1,193,924.79		1,193,924.79	966,467.04
	10,182,615.10	9,735,656.25	446,958.85	87,604.21

Savings Summary

PV of savings from cash flow	87,604.21
Plus: Refunding funds on hand	-1,179.06
Net PV Savings	86,425.15

SAVINGS

Taxable Refunding of SSWD 2012A bonds
Sacramento Suburban Water District

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 03/16/2022 @ 1.6819307%
12/31/2022	299,600.00	295,946.88	3,653.12	4,861.73
12/31/2023	1,454,600.00	2,752,433.00	-1,297,833.00	-1,262,179.34
12/31/2024	1,436,850.00	2,735,598.00	-1,298,748.00	-1,242,174.98
12/31/2025	1,432,100.00	1,070,475.00	361,625.00	340,961.74
12/31/2026	1,419,600.00		1,419,600.00	1,314,248.88
12/31/2027	1,419,600.00		1,419,600.00	1,292,171.13
	7,462,350.00	6,854,452.88	607,897.12	447,889.15

Savings Summary

PV of savings from cash flow	447,889.15
Plus: Refunding funds on hand	314.26
Net PV Savings	448,203.41

SUMMARY OF BONDS REFUNDED

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
Sacramento Suburban Water District

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Sacramento Suburban Adjustable Rate Refunding Revenue Certificates of Participation (Hedged with Swap, 2009A_Z, TERM34:	11/01/2034	3.283%	33,300,000.00	03/16/2022	100.000
Sacramento Suburban Adjustable Rate Refunding Revenue Certificates of Participation (Unhedged), 2009A_Z2, BOND2:	11/01/2023	0.000%	235,000.00	03/16/2022	100.000
	11/01/2024	0.000%	260,000.00	03/16/2022	100.000
	11/01/2025	0.000%	270,000.00	03/16/2022	100.000
	11/01/2026	0.000%	280,000.00	03/16/2022	100.000
	11/01/2027	0.000%	290,000.00	03/16/2022	100.000
	11/01/2028	0.000%	930,000.00	03/16/2022	100.000
	11/01/2029	0.000%	970,000.00	03/16/2022	100.000
	11/01/2030	0.000%	1,010,000.00	03/16/2022	100.000
	11/01/2031	0.000%	1,050,000.00	03/16/2022	100.000
	11/01/2032	0.000%	1,090,000.00	03/16/2022	100.000
	11/01/2033	0.000%	1,140,000.00	03/16/2022	100.000
	11/01/2034	0.000%	1,175,000.00	03/16/2022	100.000
			8,700,000.00		
Sacramento Suburban Refunding Revenue Bonds, 2012A, SERIAL:	11/01/2023	5.000%	1,155,000.00	11/01/2022	100.000
	11/01/2024	5.000%	1,195,000.00	11/01/2022	100.000
	11/01/2025	5.000%	1,250,000.00	11/01/2022	100.000
	11/01/2026	5.000%	1,300,000.00	11/01/2022	100.000
	11/01/2027	4.000%	1,365,000.00	11/01/2022	100.000
			6,265,000.00		
			48,265,000.00		

BOND SUMMARY STATISTICS

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
Sacramento Suburban Water District

	Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)	Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)	Taxable Refunding of SSWD 2012A bonds	Aggregate
Dated Date	03/16/2022	03/16/2022	03/16/2022	03/16/2022
Delivery Date	03/16/2022	03/16/2022	03/16/2022	03/16/2022
Last Maturity	11/01/2031	11/01/2031	11/01/2025	11/01/2031
Arbitrage Yield	1.681931%	1.681931%	1.681931%	1.681931%
True Interest Cost (TIC)	1.720159%	1.746244%	1.798347%	1.729861%
Net Interest Cost (NIC)	1.926901%	1.966814%	1.796612%	1.926899%
All-In TIC	4.883614%	1.846060%	2.119792%	4.047536%
Average Coupon	5.000000%	5.000000%	1.666904%	4.795739%
Average Life (years)	6.603	6.876	2.313	5.971
Weighted Average Maturity (years)	6.688	6.997	2.313	6.154
Duration of Issue (years)	5.820	6.037	2.275	5.381
Par Amount	27,870,000.00	7,245,000.00	6,600,000.00	41,715,000.00
Bond Proceeds	33,608,534.20	8,777,659.50	6,600,000.00	48,986,193.70
Total Interest	9,200,687.50	2,490,656.25	254,452.88	11,945,796.63
Net Interest	3,545,763.30	979,731.75	274,252.88	4,799,747.93
Total Debt Service	37,070,687.50	9,735,656.25	6,854,452.88	53,660,796.63
Maximum Annual Debt Service	5,596,750.00	1,464,750.00	2,752,433.00	6,997,750.00
Average Annual Debt Service	3,851,500.00	1,011,496.75	1,890,883.55	5,575,147.70
Underwriter's Fees (per \$1000)				
Average Takedown				
Other Fee	3.000000	3.000000	3.000000	3.000000
Total Underwriter's Discount	3.000000	3.000000	3.000000	3.000000
Bid Price	120.290363	120.854720	99.700000	117.130645

BOND SUMMARY STATISTICS

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
 Sacramento Suburban Water District

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	6,600,000.00	100.000	1.667%	2.313	1,499.50
Serials thru 2034	35,115,000.00	120.707	5.000%	6.659	24,654.05
	41,715,000.00			5.971	26,153.55

	TIC	All-In TIC	Arbitrage Yield
Par Value	41,715,000.00	41,715,000.00	41,715,000.00
+ Accrued Interest			
+ Premium (Discount)	7,271,193.70	7,271,193.70	7,271,193.70
- Underwriter's Discount	-125,145.00	-125,145.00	
- Cost of Issuance Expense		-300,000.00	
- Other Amounts		-5,274,000.00	
Target Value	48,861,048.70	43,287,048.70	48,986,193.70
Target Date	03/16/2022	03/16/2022	03/16/2022
Yield	1.729861%	4.047536%	1.681931%

BOND PRICING

Sacramento Suburban WD Outstanding Bonds
 Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
Serials thru 2034:						
	11/01/2022	35,000	5.000%	1.030%	102.465	862.75
	11/01/2023	585,000	5.000%	1.030%	106.380	37,323.00
	11/01/2024	610,000	5.000%	1.240%	109.680	59,048.00
	11/01/2025	2,295,000	5.000%	1.390%	112.717	291,855.15
	11/01/2026	3,480,000	5.000%	1.470%	115.726	547,264.80
	11/01/2027	3,630,000	5.000%	1.570%	118.395	667,738.50
	11/01/2028	4,735,000	5.000%	1.660%	120.870	988,194.50
	11/01/2029	4,950,000	5.000%	1.720%	123.343	1,155,478.50
	11/01/2030	5,175,000	5.000%	1.780%	125.638	1,326,766.50
	11/01/2031	2,375,000	5.000%	1.820%	127.958	664,002.50
		27,870,000				5,738,534.20

Dated Date	03/16/2022	
Delivery Date	03/16/2022	
First Coupon	05/01/2022	
Par Amount	27,870,000.00	
Premium	5,738,534.20	
Production	33,608,534.20	120.590363%
Underwriter's Discount	-83,610.00	-0.300000%
Purchase Price	33,524,924.20	120.290363%
Accrued Interest		
Net Proceeds	33,524,924.20	

BOND PRICING

Sacramento Suburban WD Outstanding Bonds
 Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
Serials thru 2034:						
	11/01/2023	370,000	5.000%	1.030%	106.380	23,606.00
	11/01/2024	410,000	5.000%	1.240%	109.680	39,688.00
	11/01/2025	435,000	5.000%	1.390%	112.717	55,318.95
	11/01/2026	465,000	5.000%	1.470%	115.726	73,125.90
	11/01/2027	490,000	5.000%	1.570%	118.395	90,135.50
	11/01/2028	1,145,000	5.000%	1.660%	120.870	238,961.50
	11/01/2029	1,225,000	5.000%	1.720%	123.343	285,951.75
	11/01/2030	1,310,000	5.000%	1.780%	125.638	335,857.80
	11/01/2031	1,395,000	5.000%	1.820%	127.958	390,014.10
		7,245,000				1,532,659.50

Dated Date	03/16/2022	
Delivery Date	03/16/2022	
First Coupon	05/01/2022	
Par Amount	7,245,000.00	
Premium	1,532,659.50	
Production	8,777,659.50	121.154720%
Underwriter's Discount	-21,735.00	-0.300000%
Purchase Price	8,755,924.50	120.854720%
Accrued Interest		
Net Proceeds	8,755,924.50	

BOND PRICING

Taxable Refunding of SSWD 2012A bonds
Sacramento Suburban Water District

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	11/01/2022	230,000	1.340%	1.340%	100.000
	11/01/2023	2,650,000	1.390%	1.390%	100.000
	11/01/2024	2,670,000	1.690%	1.690%	100.000
	11/01/2025	1,050,000	1.950%	1.950%	100.000
		6,600,000			

Dated Date	03/16/2022	
Delivery Date	03/16/2022	
First Coupon	11/01/2022	
Par Amount	6,600,000.00	
Original Issue Discount		
Production	6,600,000.00	100.000000%
Underwriter's Discount	-19,800.00	-0.300000%
Purchase Price	6,580,200.00	99.700000%
Accrued Interest		
Net Proceeds	6,580,200.00	

Note: Taxable Scales based on Chaffey CCD GO Bonds priced 9/15/14

BOND DEBT SERVICE

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
 Sacramento Suburban Water District

Period Ending	Principal	Coupon	Interest	Debt Service
12/31/2022	265,000	** %	1,163,290.63	1,428,290.63
12/31/2023	3,605,000	** %	1,856,433.00	5,461,433.00
12/31/2024	3,690,000	** %	1,771,848.00	5,461,848.00
12/31/2025	3,780,000	** %	1,675,725.00	5,455,725.00
12/31/2026	3,945,000	5.000%	1,518,750.00	5,463,750.00
12/31/2027	4,120,000	5.000%	1,321,500.00	5,441,500.00
12/31/2028	5,880,000	5.000%	1,115,500.00	6,995,500.00
12/31/2029	6,175,000	5.000%	821,500.00	6,996,500.00
12/31/2030	6,485,000	5.000%	512,750.00	6,997,750.00
12/31/2031	3,770,000	5.000%	188,500.00	3,958,500.00
	41,715,000		11,945,796.63	53,660,796.63

BOND DEBT SERVICE BREAKDOWN

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
Sacramento Suburban Water District

Period Ending	Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)	Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)	Taxable Refunding of SSWD 2012A bonds	Total
12/31/2022	905,937.50	226,406.25	295,946.88	1,428,290.63
12/31/2023	1,976,750.00	732,250.00	2,752,433.00	5,461,433.00
12/31/2024	1,972,500.00	753,750.00	2,735,598.00	5,461,848.00
12/31/2025	3,627,000.00	758,250.00	1,070,475.00	5,455,725.00
12/31/2026	4,697,250.00	766,500.00		5,463,750.00
12/31/2027	4,673,250.00	768,250.00		5,441,500.00
12/31/2028	5,596,750.00	1,398,750.00		6,995,500.00
12/31/2029	5,575,000.00	1,421,500.00		6,996,500.00
12/31/2030	5,552,500.00	1,445,250.00		6,997,750.00
12/31/2031	2,493,750.00	1,464,750.00		3,958,500.00
	37,070,687.50	9,735,656.25	6,854,452.88	53,660,796.63

AGGREGATE DEBT SERVICE

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
Sacramento Suburban Water District

Period Ending	Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)	Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)	Taxable Refunding of SSWD 2012A bonds	2018 DS	Unrefunded Bonds	Aggregate Debt Service
12/31/2022	905,937.50	226,406.25	295,946.88	3,050,967.00	2,519,237.50	6,998,495.13
12/31/2023	1,976,750.00	732,250.00	2,752,433.00	1,534,955.80		6,996,388.80
12/31/2024	1,972,500.00	753,750.00	2,735,598.00	1,537,962.00		6,999,810.00
12/31/2025	3,627,000.00	758,250.00	1,070,475.00	1,541,678.00		6,997,403.00
12/31/2026	4,697,250.00	766,500.00		1,531,584.00		6,995,334.00
12/31/2027	4,673,250.00	768,250.00		1,558,050.00		6,999,550.00
12/31/2028	5,596,750.00	1,398,750.00				6,995,500.00
12/31/2029	5,575,000.00	1,421,500.00				6,996,500.00
12/31/2030	5,552,500.00	1,445,250.00				6,997,750.00
12/31/2031	2,493,750.00	1,464,750.00				3,958,500.00
	37,070,687.50	9,735,656.25	6,854,452.88	10,755,196.80	2,519,237.50	66,935,230.93

PRIOR BOND DEBT SERVICE

Sacramento Suburban WD Outstanding Bonds
Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)

Period Ending	Principal	Coupon	Interest	Debt Service	Other Cash Flow	Total
12/31/2022			778,745.61	778,745.61	206,386.00	985,131.61
12/31/2023	910,000	3.283%	1,090,783.53	2,000,783.53	204,984.05	2,205,767.58
12/31/2024	985,000	3.283%	1,063,619.15	2,048,619.15	198,753.28	2,247,372.43
12/31/2025	1,025,000	3.283%	1,028,260.32	2,053,260.32	192,567.53	2,245,827.85
12/31/2026	1,065,000	3.283%	994,501.68	2,059,501.68	186,133.90	2,245,635.58
12/31/2027	1,110,000	3.283%	959,416.24	2,069,416.24	179,824.55	2,249,240.79
12/31/2028	3,550,000	3.283%	918,927.90	4,468,927.90	167,626.35	4,636,554.25
12/31/2029	3,710,000	3.283%	799,412.74	4,509,412.74	145,300.53	4,654,713.27
12/31/2030	3,875,000	3.283%	677,168.21	4,552,168.21	121,972.97	4,674,141.18
12/31/2031	4,015,000	3.283%	549,574.17	4,564,574.17	97,850.33	4,662,424.50
12/31/2032	4,175,000	3.283%	418,504.22	4,593,504.22	72,465.59	4,665,969.81
12/31/2033	4,355,000	3.283%	279,779.08	4,634,779.08	46,225.71	4,681,004.79
12/31/2034	4,525,000	3.283%	136,345.66	4,661,345.66	18,890.46	4,680,236.12
	33,300,000		9,695,038.51	42,995,038.51	1,838,981.25	44,834,019.76

PRIOR BOND DEBT SERVICE

Sacramento Suburban WD Outstanding Bonds
Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)

Period Ending	Principal	Interest	Debt Service	Other Cash Flow	Total
12/31/2022		80,564.36	80,564.36	53,920.67	134,485.03
12/31/2023	235,000	112,848.87	347,848.87	53,560.00	401,408.87
12/31/2024	260,000	110,068.69	370,068.69	51,938.19	422,006.88
12/31/2025	270,000	106,376.52	376,376.52	50,306.54	426,683.06
12/31/2026	280,000	102,855.82	382,855.82	48,612.91	431,468.73
12/31/2027	290,000	99,205.16	389,205.16	46,957.14	436,162.30
12/31/2028	930,000	95,013.63	1,025,013.63	43,765.15	1,068,778.78
12/31/2029	970,000	82,618.59	1,052,618.59	37,920.30	1,090,538.89
12/31/2030	1,010,000	69,965.85	1,079,965.85	31,827.53	1,111,793.38
12/31/2031	1,050,000	56,793.10	1,106,793.10	25,533.01	1,132,326.11
12/31/2032	1,090,000	43,221.60	1,133,221.60	18,898.26	1,152,119.86
12/31/2033	1,140,000	28,876.89	1,168,876.89	12,041.53	1,180,918.42
12/31/2034	1,175,000	14,019.53	1,189,019.53	4,905.26	1,193,924.79
	8,700,000	1,002,428.61	9,702,428.61	480,186.49	10,182,615.10

PRIOR BOND DEBT SERVICE

Taxable Refunding of SSWD 2012A bonds
 Sacramento Suburban Water District

Period Ending	Principal	Coupon	Interest	Debt Service
12/31/2022			299,600	299,600
12/31/2023	1,155,000	5.000%	299,600	1,454,600
12/31/2024	1,195,000	5.000%	241,850	1,436,850
12/31/2025	1,250,000	5.000%	182,100	1,432,100
12/31/2026	1,300,000	5.000%	119,600	1,419,600
12/31/2027	1,365,000	4.000%	54,600	1,419,600
	6,265,000		1,197,350	7,462,350

ESCROW REQUIREMENTS

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
Sacramento Suburban Water District

Period Ending	Interest	Principal Redeemed	Total
03/16/2022		42,000,000.00	42,000,000.00
05/01/2022	149,800.00		149,800.00
11/01/2022	149,800.00	6,265,000.00	6,414,800.00
	299,600.00	48,265,000.00	48,564,600.00

BOND SOLUTION

Sacramento Suburban WD Outstanding Bonds
 Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/31/2022		226,406	226,406	134,485	-91,921	59.39988%
12/31/2023	370,000	732,250	732,250	401,409	-330,841	54.81856%
12/31/2024	410,000	753,750	753,750	422,007	-331,743	55.98765%
12/31/2025	435,000	758,250	758,250	426,683	-331,567	56.27208%
12/31/2026	465,000	766,500	766,500	431,469	-335,031	56.29077%
12/31/2027	490,000	768,250	768,250	436,162	-332,088	56.77349%
12/31/2028	1,145,000	1,398,750	1,398,750	1,068,779	-329,971	76.40956%
12/31/2029	1,225,000	1,421,500	1,421,500	1,090,539	-330,961	76.71747%
12/31/2030	1,310,000	1,445,250	1,445,250	1,111,793	-333,457	76.92741%
12/31/2031	1,395,000	1,464,750	1,464,750	1,132,326	-332,424	77.30508%
12/31/2032				1,152,120	1,152,120	
12/31/2033				1,180,918	1,180,918	
12/31/2034				1,193,925	1,193,925	
	7,245,000	9,735,656	9,735,656	10,182,615	446,959	

BOND SOLUTION

Taxable Refunding of SSWD 2012A bonds
Sacramento Suburban Water District

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/31/2022	230,000	295,947	295,947	299,600	3,653	101.23438%
12/31/2023	2,650,000	2,752,433	2,752,433	2,754,600	2,167	100.07873%
12/31/2024	2,670,000	2,735,598	2,735,598	2,736,850	1,252	100.04577%
12/31/2025	1,050,000	1,070,475	1,070,475	2,732,100	1,661,625	255.22315%
12/31/2026				1,419,600	1,419,600	
12/31/2027				1,419,600	1,419,600	
	6,600,000	6,854,453	6,854,453	11,362,350	4,507,897	

UNIVERSAL BOND SOLUTION

Multi-Purpose 2022 Finance Plan (Refunding of Series 2009A and 2012A)
 Sacramento Suburban Water District
 Universal Bond Solution Component

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/31/2022	35,000	905,938	6,092,558	6,998,495	7,000,000	1,505	100.02150%
12/31/2023	585,000	1,976,750	5,019,639	6,996,389	7,000,000	3,611	100.05162%
12/31/2024	610,000	1,972,500	5,027,310	6,999,810	7,000,000	190	100.00271%
12/31/2025	2,295,000	3,627,000	3,370,403	6,997,403	7,000,000	2,597	100.03711%
12/31/2026	3,480,000	4,697,250	2,298,084	6,995,334	7,000,000	4,666	100.06670%
12/31/2027	3,630,000	4,673,250	2,326,300	6,999,550	7,000,000	450	100.00643%
12/31/2028	4,735,000	5,596,750	1,398,750	6,995,500	7,000,000	4,500	100.06433%
12/31/2029	4,950,000	5,575,000	1,421,500	6,996,500	7,000,000	3,500	100.05003%
12/31/2030	5,175,000	5,552,500	1,445,250	6,997,750	7,000,000	2,250	100.03215%
12/31/2031	2,375,000	2,493,750	1,464,750	3,958,500	7,000,000	3,041,500	176.83466%
12/31/2032					7,000,000	7,000,000	
12/31/2033					7,000,000	7,000,000	
12/31/2034					7,000,000	7,000,000	
	27,870,000	37,070,688	29,864,543	66,935,231	91,000,000	24,064,769	

Sacramento Suburban Water District

Refunding of Series 2009A and 2012A



SSWD Plan of Finance

- In order to eliminate risks related to the swap, refund on a tax-exempt basis the outstanding 2009A Adjustable Rate COPs
 - \$42 million outstanding (\$33.3 million is hedged with a swap from Wells Fargo)
 - Pay swap termination amount with District cash on hand
 - Shorten amortization of debt to 2031
- Refund on a taxable basis the 2012A Bonds outstanding in the amount of \$8.67 million
 - Shorten amortization of debt to 2025
- Structure District's debt profile to equal ~\$7 million annually through FY 2030 and approximately \$4 million in FY 2031
- Authorizing Resolution includes not-to-exceed thresholds that provide the District with market flexibility between now and pricing
 - Includes sufficient par amount to cover the outstanding par amounts, cost of issuance and any changes to investor demand for premium bonds

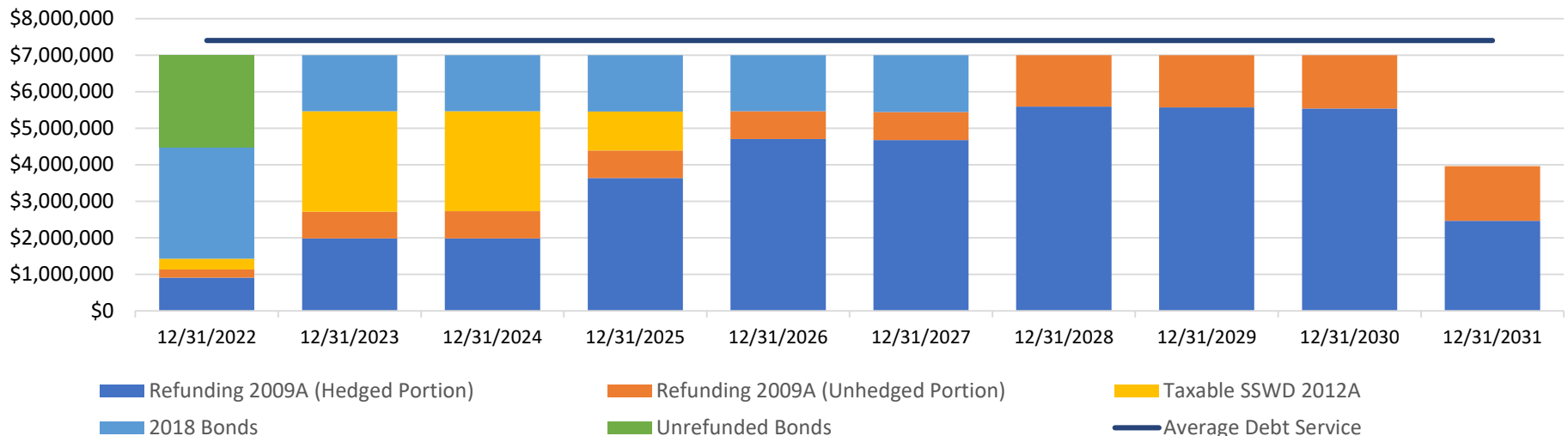
Risks of Maintaining Variable-Rate Debt & Swap

- Swap Risks
 - The swap is intended to hedge the variable interest rate but has counterparty credit risk with Wells Fargo
 - Reduction in credit ratings of the District or Counterparty may result in termination events
 - Interest rate volatility will cause a basis risk between the variable interest rates paid by Wells Fargo and the variable interest rates paid by the District
- Risks of variable rate obligations
 - Interest rate volatility, changes in short-term interest rate environment
 - Exposure to letter of credit bank's ratings downgrade; could increase SSWD's interest cost
 - Bank's business model; bank may decline to renew LOC, or offer to renew at significantly higher cost
- Credit profile
 - Traditional rating agency methodology expresses concerns where variable rate obligations exceed 30% of aggregate debt – This concern is mitigated where cash and cash equivalents effectively hedge the District's exposure to fluctuations in short-term interest rates. The District's unhedged portion of the 2009A COPs is ~13% of outstanding debt and represents about 15% of the District's estimated cash and cash equivalent balances as of 12/31/2021.
- Staff time, expertise, monitoring, need for bank facility actions every ~3 years would be eliminated

Refunding Savings – 0.45% Variable Assumption*

Refinance the 2009A Variable Rate Certificates of Participation (2009A COP) with tax-exempt debt and the 2012A Revenue Bonds (2012A Bonds) with taxable debt, terminate the SWAP with Wells Fargo Bank N.A. (Wells Fargo) with a cash payment, and accelerate the debt schedule to have all debt extinguished by the end of 2031.

Summary Statistics Results	Refunding 2009A (Hedged Portion)	Refunding 2009A) (Unhedged Portion)	Taxable Refunding SSWD 2012A	TOTAL
Par Amount	27,875,000	7,240,000	6,600,000	41,715,000
Swap Termination Value	5,274,000			5,274,000
Escrow Deposit	33,320,000	8,705,000	6,532,420	48,557,420
Transaction Cost	284,092	73,788	67,265	425,145
True Interest Cost	1.72%	1.75%	1.80%	1.73%
NPV Savings (\$)	509,347	-518,642	448,203	438,908
NPV Savings (%)	1.53%	-5.96%	7.15%	0.91%
Total Debt Service	37,065,094	9,741,250	6,854,453	53,660,797
Maximum Annual Debt Service	5,594,750	1,491,000	2,752,433	6,997,750



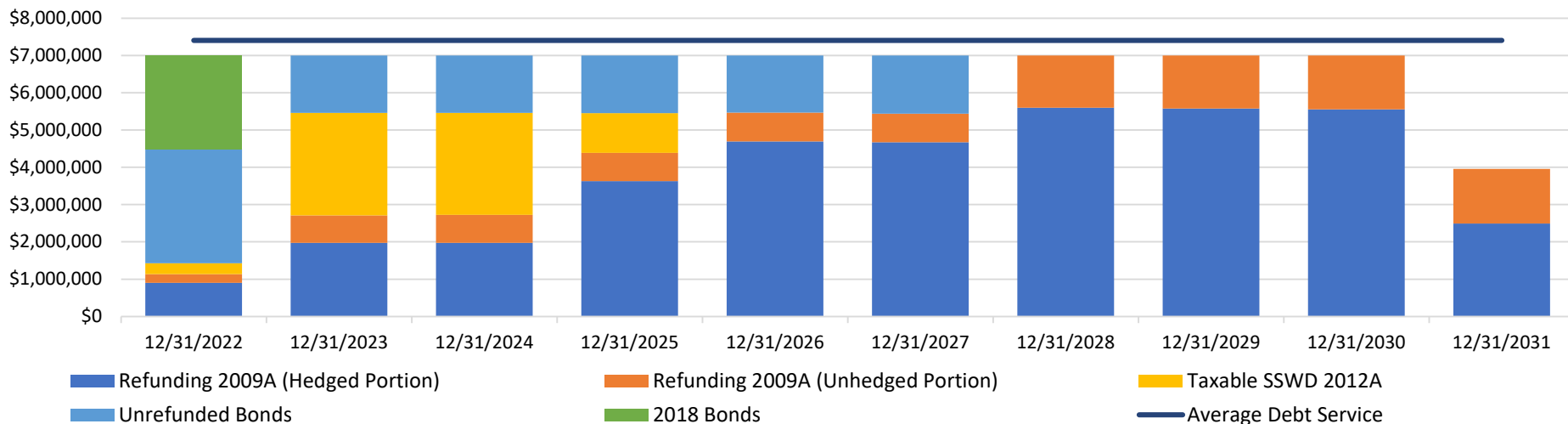
*Preliminary, subject to change. Based on market conditions as of February 17, 2022. Assumes unhedged 2009A COPs reset at an average rate of 0.45%.

Refunding Savings – 1.30% Variable Assumption*

Refinance the 2009A Variable Rate Certificates of Participation (2009A COP) with tax-exempt debt and the 2012A Revenue Bonds (2012A Bonds) with taxable debt, terminate the SWAP with Wells Fargo Bank N.A. (Wells Fargo) with a cash payment, and accelerate the debt schedule to have all debt extinguished by the end of 2031.

Summary Statistics Results

	Refunding 2009A (Hedged Portion)	Refunding 2009A) (Unhedged Portion	Taxable Refunding SSWD 2012A	TOTAL
Par Amount	27,870,000	7,245,000	6,600,000	41,715,000
Swap Termination Value	5,274,000			5,274,000
Escrow Deposit	33,320,000	8,705,000	6,532,420	48,557,420
Transaction Cost	284,042	73,839	67,265	425,145
True Interest Cost	1.72%	1.75%	1.80%	1.73%
NPV Savings (\$)	508,467	86,425	448,203	1,043,095
NPV Savings (%)	1.53%	0.99%	7.15%	2.16%
Total Debt Service	37,070,688	9,735,656	6,854,453	53,660,797
Maximum Annual Debt Service	5,596,750	1,464,750	2,752,433	6,997,750

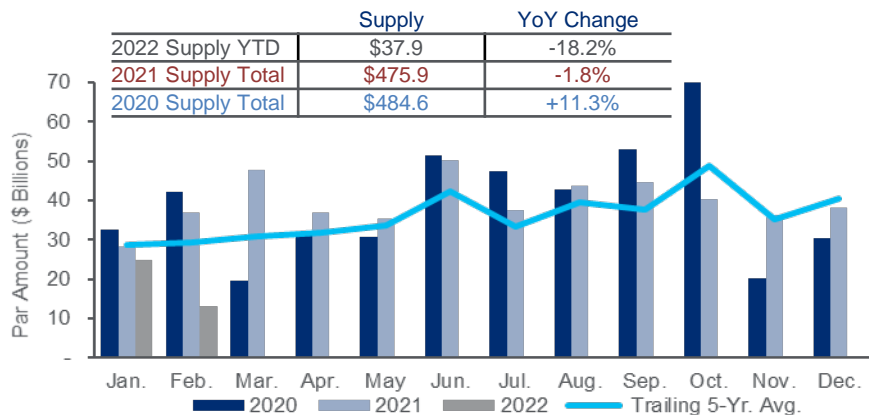


*Preliminary, subject to change. Based on market conditions as of February 17, 2022. Assumes unhedged 2009A COPs reset at an average rate of 01.30%.

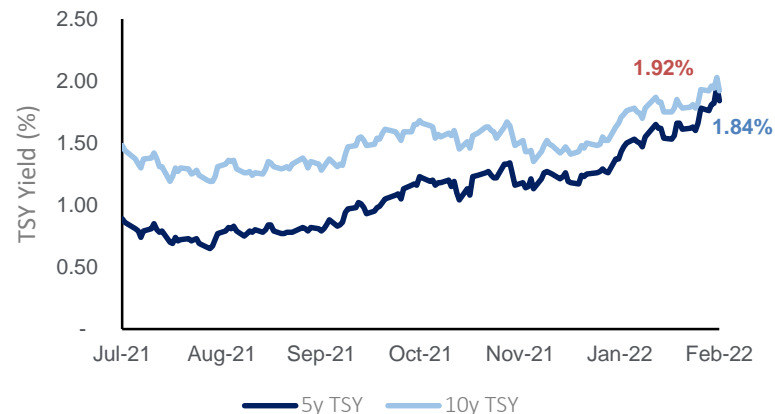
Municipal Bond Market Update

Supply/Demand Dynamics Have Become Less Favorable; Interest Rates Continue to Increase.

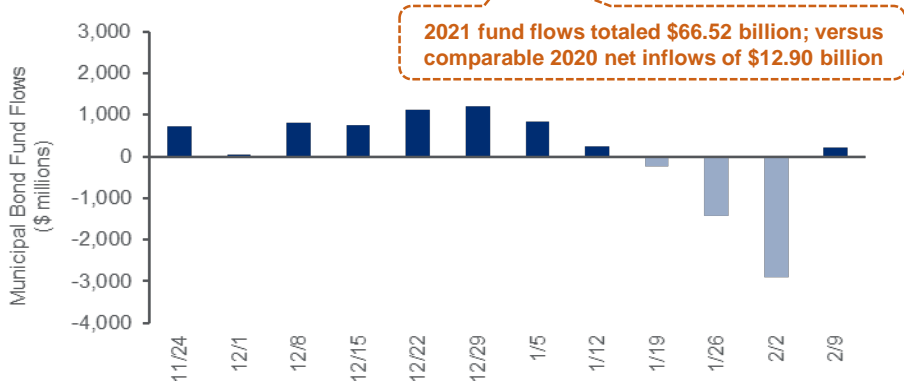
Historic Monthly Municipal Supply²
2022YTD vs. Prior Years and Historical Averages (\$BN)



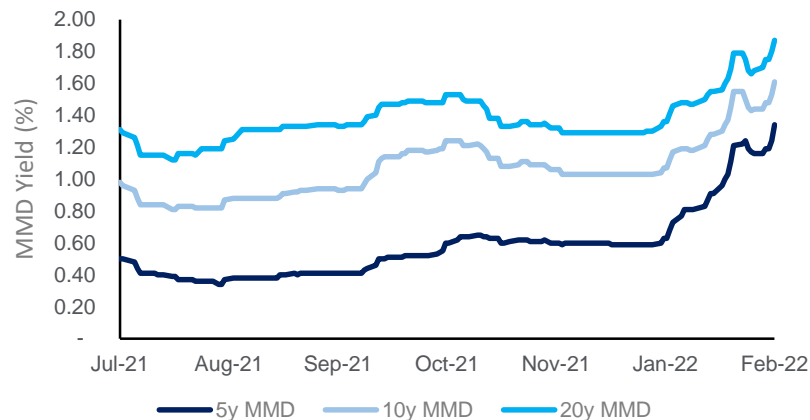
US Treasury Rates Have Increased
US Treasury rates have been moving higher since Summer 2021



Weekly Demand For Municipal Bonds¹
Last 12-Weeks of Bond Fund Flows



Tax-Exempt Interest Rates Are Trending Higher¹
Yields Exceeding COVID Lows



1. Thomson Reuters, rates as of February 11, 2022; monthly spread data as of the first of each month; 2. SDC and Bloomberg, includes private placements, excludes notes as of January 9, 2022;

Legal Documents

- Authorizing Resolution approves issuance of 2022 Bonds under certain parameters and sale to Citi, as underwriter
- Approves key documents:
 1. Indentures of Trust (Series 2022A and 2022B) – Each Indenture defines each Series 2022 Bonds terms (principal amount, interest rate), establishes trust fund for pledged revenues, describes certain covenants for the benefit of the bondholders and includes redemption provisions
 2. Purchase Contracts (Series 2022A and 2022B) – establishes the terms and conditions for the purchase of the 2022 Bonds by Citi
 3. Preliminary Official Statement (“POS”) – disclosure document to investors
 - Describes the 2022A&B Bonds, pledged revenues, risk factors
 - Includes “material” information about the District and is subject to federal securities law
 - Allows delivery of the final Official Statement
 4. Continuing Disclosure Certificates (Series 2022A and 2022B) – District agrees to annually update financial information and provide notice of certain events
 5. Swap Termination Agreement – Terminates the swap agreement with Wells Fargo
- Authorizes necessary actions and documents to issue 2022 Bonds

Thank You

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Citi works with its clients in greenhouse gas intensive industries to evaluate emerging risks from climate change and, where appropriate, to mitigate those risks.

efficiency, renewable energy and mitigation