



AGENDA
SPECIAL MEETING OF THE BOARD OF DIRECTORS
District Board Room, 2890 Mosquito Road, Placerville, California
April 11, 2022 — 1:00 P.M.

Board of Directors

Lori Anzini—Division 4
President

Brian K. Veerkamp—Division 3
Vice President

George Osborne—Division 1
Director

Pat Dwyer—Division 2
Director

Alan Day—Division 5
Director

Executive Staff

Jim Abercrombie
General Manager

Brian D. Poulsen, Jr.
General Counsel

Jennifer Sullivan
Clerk to the Board

Jesse Saich
Communications

Brian Mueller
Engineering

Mark Price
Finance

Jose Perez
Human Resources

Tim Ranstrom
Information Technology

Dan Corcoran
Operations

PUBLIC COMMENT: Anyone wishing to comment about items not on the Agenda may do so during the public comment period. Those wishing to comment about items on the Agenda may do so when that item is heard and when the Board calls for public comment. Public comments are limited to five minutes per person.

PUBLIC RECORDS DISTRIBUTED LESS THAN 72 HOURS BEFORE A MEETING: Any writing that is a public record and is distributed to all or a majority of the Board of Directors less than 72 hours before a meeting shall be available for immediate public inspection in the office of the Clerk to the Board at the address shown above. Public records distributed during the meeting shall be made available at the meeting.

AMERICANS WITH DISABILITIES ACT: In accordance with the Americans with Disabilities Act (ADA) and California law, it is the policy of El Dorado Irrigation District to offer its public programs, services, and meetings in a manner that is readily accessible to everyone, including individuals with disabilities. If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodation for this meeting, please contact the EID ADA coordinator at 530-642-4045 or email at adacoordinator@eid.org at least 72 hours prior to the meeting. Advance notification within this guideline will enable the District to make reasonable accommodations to ensure accessibility.

District Board Meetings are open to in-person attendance by the public and conducted virtually. For in-person participation, individuals must comply with all current Centers for Disease Control COVID-19 prevention guidelines and state and local guidelines that are in place at the time of the meeting. The public may participate in the District's Board meeting by teleconference or web conference via the instructions provided below. Members of the public who participate in the meeting via teleconference or web conference will be given the opportunity to speak and address the Board, and their comments will be included in the recording of the meeting.

The meeting materials will be available for download from the District's website at www.eid.org. Video recordings of archived Board meetings can be found at the District's YouTube channel at www.EID.org/YouTube where they are retained in compliance with the District's retention schedule.

PUBLIC PARTICIPATION INSTRUCTIONS

Instructions to join the Board Meeting by telephone only

No accompanying computer or mobile device required. This option will allow participants to listen to Board meeting audio and address the Board during public comment periods by pressing *9 on the telephone keypad.

Dial **1.669.900.6833** and enter Meeting ID **945 6360 8941** when prompted.

Instructions to join the Board Meeting from your computer or mobile device

Click the following join link or copy and paste into your browser <https://zoom.us/j/94563608941>.

If the device being used *is* equipped with a microphone and speaker, participants may view the presentation live and listen to Board meeting audio. You may address the Board during public comment periods by clicking on the "raise a hand" button.

If the device being used *is not* equipped with a microphone, participants may view the presentation live and listen to Board meeting audio using the link above. Participants may address the Board during public comment periods by using the call in instructions above and pressing *9 on the telephone keypad.

CALL TO ORDER

Roll Call
Pledge of Allegiance
Moment of Silence

ADOPT AGENDA

PUBLIC COMMENT

ACTION ITEMS

1. Finance (Price)

Consider adopting a resolution approving the Preliminary Official Statement related to the issuance of the 2022A refunding revenue bonds and certain other matters.

Option 1: Adopt a resolution approving the Preliminary Official Statement related to the issuance of the 2022A refunding revenue bonds and certain other matters.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

Recommended Action: Option 1.

REVIEW OF ASSIGNMENTS

ADJOURNMENT

TENTATIVELY SCHEDULED ITEMS FOR FUTURE MEETINGS

Engineering

- Headquarters Backup Power Modifications construction contract, Action, April 25 (Money)
- Alternative energy update, Information, April 25 (Dawson)
- Flume 30 Replacement construction change orders, Action, April 25 (Mutschler)

Finance

- Cost comparison for monthly and bi-monthly reading, Information, April 25 (Downey)
- 1st Quarter 2022 Investment Report, Consent, April 25 (Pasquarello)

Operations

- Water supply update, Information, April 25 (Corcoran)
- Vegetation Management Program overview, Information, April 25 (Corcoran)
- Reservoir inspections and floating covers cleaning contract award, Action, April 25 (Odzakovic)

EL DORADO IRRIGATION DISTRICT

SUBJECT: Consider adopting a resolution approving the Preliminary Official Statement related to the issuance of the 2022A refunding revenue bonds and certain other matters.

PREVIOUS BOARD ACTION

March 14, 2022 – Board Adopted Resolution No. 2022-007 authorizing the issuance of not to exceed \$80,000,000 aggregate principal amount of refunding revenue bonds in one or more series and approving the execution and delivery of certain documents in connection therewith and certain other matters and directed staff to establish a cash flow savings reserve fund for payment of future unfunded actuarial liabilities or retiring debt early.

BOARD POLICIES (BP), ADMINISTRATIVE REGULATIONS (AR), AND BOARD AUTHORITY

BP 3050 Financial Condition and Activities

AR 3051 Budget Principles

SUMMARY OF ISSUE

As was discussed at the March 14, 2022 Board meeting, the District participates in California Public Employees' Retirement System ("PERS"). The contract between PERS and the District obligates the District to (i) make contributions to PERS to fund pension benefits for certain District employees, (ii) amortize the unfunded accrued actuarial liability with respect to such pension benefits, and (iii) appropriate funds for the foregoing purposes.

The resolution adopted at the March 14, 2022 Board meeting allows the District to authorize the issuance of refunding revenue bonds in a maximum principal amount not to exceed that required for the purpose of refunding all or a portion of the District's current obligation to PERS for fiscal year 2021-22 or 2022-23, depending on when the bonds are issued, to pay all or a portion of the unfunded accrued actuarial liability of the District with respect to pension benefits under the contract, to pay the costs of issuance of such bonds, including the underwriter's discount and any original issue discount.

Market conditions as of April 1, 2022 for like-kind rated utilities reflect a debt issuance at a true interest cost (TIC) of about 4.06% resulting in an annual cash flow savings of between \$0.46 million and \$1.2 million totaling about \$20.1 million and a net present value (NPV) savings of approximately \$13.8 million or about 19% NPV savings.

Staff also indicated during the March 14th Board meeting that it would bring back another resolution on April 25, 2022 for consideration to adopt the Preliminary Official Statement (POS) related to the issuance of the 2022A revenue refunding bonds. Because of market conditions staff, and the financing team, have accelerated the bond schedule by one month and anticipates pricing the bonds on or about April 20, 2022, with closing to occur on May 17, 2022. Accelerating the adoption of the POS also allows the financing team flexibility to move the sale date to accommodate changing market conditions, if necessary. Staff proposes the Board adopt the POS, attached, related to the issuance of the 2022A revenue refunding bonds.

BOARD OPTIONS

Option 1: Adopt a resolution approving the Preliminary Official Statement related to the issuance of the 2022A refunding revenue bonds and certain other matters.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

RECOMMENDATION

Option 1.

ATTACHMENTS

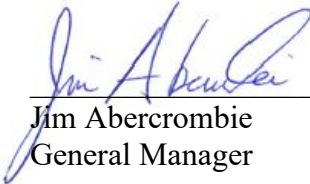
Attachment A: Proposed Resolution



Mark Price
Finance Director



Brian Poulsen
General Counsel



Jim Abercrombie
General Manager

**RESOLUTION OF THE BOARD OF DIRECTORS OF
EL DORADO IRRIGATION DISTRICT
APPROVING AN OFFICIAL STATEMENT IN CONNECTION WITH THE
ISSUANCE OF REFUNDING BONDS AND CERTAIN OTHER MATTERS**

WHEREAS, the El Dorado Irrigation District (“District”), an irrigation district duly organized and existing under and pursuant to the Constitution and laws of the State of California, has previously adopted a retirement plan pursuant to the Public Employees’ Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended (“Retirement Law”) and elected to become a contracting member of the California Public Employees’ Retirement System (“PERS”); and

WHEREAS, the Board of Directors previously authorized the issuance of refunding revenue bonds (“Bonds”) for the purpose of refunding all or a portion of the unfunded accrued actuarial liability of the District with respect to pension benefits under the Retirement Law, and approving the execution and delivery of certain documents in connection therewith and certain other matters pursuant to Resolution No. 2022-007 adopted on March 14, 2022 (“Prior Resolution”); and

WHEREAS, the Board of Directors determines that it is in the best interest of the District to approve a preliminary official statement relating to the Bonds (“Preliminary Official Statement”), authorize the preparation of a final official statement relating to the Bonds (“Official Statement”) and authorize certain other matters related thereto; and

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the Board of Directors of the El Dorado Irrigation District as follows:

1. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given to such terms in the Prior Resolution unless the context otherwise clearly requires.
2. The preparation and distribution of the Preliminary Official Statement relating to the Bonds, in substantially the form attached as Exhibit A hereto, is hereby approved. Each of the President or Vice President of the Board of Directors or the District’s General Manager or the written designee of any of the foregoing (each an “Authorized Officer” and together the “Authorized Officers”) is individually authorized to make such changes, insertions and omissions as may be recommended by the District’s General Counsel or Stradling Yocca Carlson & Rauth (“Bond Counsel”), and to sign a

1 certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of
2 1934 relating to the Preliminary Official Statement. Upon execution of such certificate,
3 Citigroup Global Markets Inc. as underwriter, is authorized to distribute the Preliminary
4 Official Statement to potential purchasers of the Bonds. Each Authorized Officer is
5 individually authorized and directed to execute, approve and deliver the Official
6 Statement for the Bonds, in the form of the Preliminary Official Statement with such
7 changes, insertions and omissions as may be recommended by the District’s General
8 Counsel or Bond Counsel, and approved by the officers executing the same, said
9 execution being conclusive evidence of such approval. The underwriter of the Bonds is
10 directed to deliver copies of the Official Statement to all actual purchasers of the
11 Bonds.

- 12 3. The good faith estimates with respect to the Bonds required by Section 5852.1 of the
13 California Government Code were included in the Prior Resolution and were available
14 to the public at the meeting at which the Prior Resolution was approved. Updated good
15 faith estimates with respect to the Bonds based on recent market information are
16 disclosed in Exhibit B attached to this Resolution and are available to the public at the
17 meeting at which this Resolution is approved.
- 18 4. The Board of Directors hereby authorizes the Authorized Officers, acting singly, to
19 select a municipal bond insurer to insure payments of interest on, and principal of, all or
20 a portion of the Bonds so long as the Authorized Officer determines that obtaining the
21 municipal bond insurance policy provided thereby will result in a lower interest rate or
22 yield to maturity with respect to the Bonds. Bond Counsel is hereby directed to make
23 all changes to the Indenture of Trust, the Purchase Contract, the Continuing Disclosure
24 Certificate, the Preliminary Official Statement, the Official Statement and other related
25 documents as are necessary to reflect the selection of such municipal bond insurer and
26 the reasonable comments thereof.
- 27 5. The Authorized Officers, the Chief Financial Officer and Treasurer or the written
designee of any of the foregoing and any other proper officer of the District, acting
singly, is hereby authorized and directed to execute and deliver any and all documents
and instruments and to do and cause to be done any and all acts and things necessary or

proper for carrying out the transactions contemplated by this Resolution, the Prior Resolution, the Preliminary Official Statement and the Official Statement.

6. This resolution shall take effect immediately.

The foregoing Resolution was introduced at a special meeting of the Board of Directors of the EL DORADO IRRIGATION DISTRICT, held on the 11th day of April 2022, by Director who moved its adoption. The motion was seconded by Director and a poll vote taken which stood as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

The motion having a majority of votes "Aye", the resolution was declared to have been adopted, and it was so ordered.

Lori Anzini, President
Board of Directors
EL DORADO IRRIGATION DISTRICT

ATTEST:

Jennifer Sullivan
Clerk to the Board
EL DORADO IRRIGATION DISTRICT

(SEAL)

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1 I, the undersigned, Clerk to the Board of the EL DORADO IRRIGATION DISTRICT
2 hereby certify that the foregoing resolution is a full, true and correct copy of a Resolution of the
3 Board of Directors of the EL DORADO IRRIGATION DISTRICT entered into and adopted at a
4 special meeting of the Board of Directors held on the 11th day of April 2022.

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6 _____
7 Jennifer Sullivan
8 Clerk to the Board
9 EL DORADO IRRIGATION DISTRICT

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PRELIMINARY OFFICIAL STATEMENT DATED APRIL __, 2022

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: See the caption “RATINGS”

EL DORADO IRRIGATION DISTRICT

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REFUNDING REVENUE BONDS, TAXABLE SERIES 2022A

Dated: Date of Issuance

Due: January 1, as set forth on the inside cover

The 2022A Bonds are being issued to provide funds to (i) refund all or a portion of the District’s Unfunded Liability under the PERS Contract and the Retirement Law, and (ii) pay costs of issuance of 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 July 1, 2022 and each January 1 and July 1 thereafter, until the maturity thereof.

The 2022A Bonds are subject to optional redemption and extraordinary redemption as more fully described herein.

The 2022A Bonds are being issued in fully registered form and, when the 2022A 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 2022A Bonds. Purchasers of beneficial interests will not receive certificates representing their interest in the 2022A Bonds. So long as Cede & Co. is the registered owner of the 2022A 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 2022A Bonds. Individual purchases of the 2022A 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 2022A 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 2022A Bonds.

The 2022A Bonds are secured by a pledge of Revenues, subject to the pledge thereon securing Senior Bonds and Senior Contracts outstanding, as of April 1, 2022, in the aggregate principal amount of approximately \$334,595,000. The 2022A Bonds are payable from Revenues, after the payment of Operation and Maintenance Costs, subordinate to the Senior Bonds and Senior Contracts. The District may incur additional Senior Bonds and Senior Contracts secured by a pledge of Revenues senior to the pledge thereon of 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: (i) Net Water System Revenues, which are Water System Revenues remaining after payment of Water System Operation and Maintenance Costs and Senior Debt Service allocable to the Water System; and (ii) Net Wastewater System Revenues, which are Wastewater System Revenues remaining after payment of and Wastewater System Operation and Maintenance Costs and Senior Debt Service allocable to the Wastewater System. The District may incur additional obligations payable from District Net Revenues on a parity with the obligation to pay principal of and interest on the 2022A Bonds, subject to the terms and conditions of the Indenture, as more fully described herein.

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

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel the interest (and original issue discount) on the 2022A 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.

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 SCHEDULE – See Inside Cover Page

The 2022A Bonds are offered when, as and if 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 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 Brian D. Poulsen, Esq., General Counsel, and for the Trustee by its counsel. It is anticipated that the 2022A Bonds will be available for delivery through the facilities of The Depository Trust Company on or about May __, 2022.

CITIGROUP

Dated: April __, 2022

* Preliminary, subject to change.

\$ _____ *

EL DORADO IRRIGATION DISTRICT
REFUNDING REVENUE BONDS, TAXABLE SERIES 2022A

<i>Maturity Date</i> <i>(January 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 2022A 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 2022A 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 2022A 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 2022A 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 2022A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE 2022A 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 2022A 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 Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission.

**EL DORADO IRRIGATION DISTRICT
BOARD OF DIRECTORS**

Lori Anzini, President
Brian K. Veerkamp, Vice President
Alan Day, Director
Pat Dwyer, Director
George W. Osborne, Director

DISTRICT STAFF

Jim Abercrombie, General Manager
Mark T. Price, CPA, Finance Director

SPECIAL SERVICES

General Counsel

Brian D. Poulsen, Esq.

Bond 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

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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 2022A 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) refund all or a portion of the District's Unfunded Liability under the PERS Contract and the Retirement Law, and (ii) pay costs of issuance of the 2022A Bonds, all as more fully described herein.

Security for the 2022A Bonds. The 2022A Bonds are secured by a pledge of Revenues, subject to the pledge thereon securing Senior Bonds and Senior Contracts. The 2022A Bonds are payable from Revenues, after the payment of Operation and Maintenance Costs, subordinate to the Senior Bonds and Senior Contracts.

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: (i) Net Water System Revenues, which are Water System Revenues remaining after payment of Water System Operation and Maintenance Costs and Senior Debt Service allocable to the Water System; and (ii) Net Wastewater System Revenues, which are Wastewater System Revenues remaining after payment of and Wastewater System Operation and Maintenance Costs and Senior Debt Service allocable to the Wastewater System. The District may incur additional obligations payable from District Net Revenues on a parity with the obligation to pay principal of and interest on the 2022A Bonds, subject to the terms and conditions of the Indenture, as more fully described herein.

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 mentioned in the Indenture, 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 Refunding Plan. A portion of the proceeds of the 2022A Bonds, together with certain other funds, will be transferred to CalPERS, on or about the initial issuance of the 2022A Bonds, to refund all or a portion of the District's Unfunded Liability, and to pay the costs of issuance, including underwriter's discount and any original issue discount. See the caption "PLAN OF FINANCE—The Refunding Plan" herein.

Senior Obligations. The District has Senior Bonds and Senior Contracts outstanding as of April 1, 2022, in the aggregate principal amount of approximately \$334,595,000. The 2022A Bonds are secured by a pledge of Revenues, subject to the pledge thereon securing Senior Bonds and Senior Contracts. The District may incur additional Senior Bonds and Senior Contracts secured by a pledge of Revenues senior to the pledge thereon of the 2022A Bonds, as further described herein.

Senior Bonds and Contracts Rate Covenants. Under the Senior Contracts and indentures relating to the Senior Bonds, the District has covenanted: (a) to the fullest extent permitted by law, to fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Water Service provided by the Water System which are reasonably expected to be at least sufficient to yield during each Fiscal Year Water System Revenues, less Operation and Maintenance Costs allocable to the Water System, equal to one hundred twenty-five percent (125%) of Senior Debt Service for such Fiscal Year allocable to the Water System; and (b) to the fullest extent permitted by law, to fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Wastewater Service provided by the Wastewater System which are reasonably expected to be at least sufficient

to yield during each Fiscal Year Wastewater System Revenues, less Operation and Maintenance Costs allocable to the Wastewater System, equal to one hundred twenty-five percent (125%) of Senior Debt Service for such Fiscal Year allocable to the Wastewater System.

For avoidance of doubt, so long as the District has complied with its obligations set forth in subsections (a) and (b) above, the failure of Water System Revenues or Wastewater System Revenues, less allocable amounts of Operation and Maintenance Costs as described above, to meet the thresholds set forth in (a) or (b) above at the end of a Fiscal Year shall not constitute a default or an event of default under the Senior Contracts and indentures relating to the Senior Bonds so long as the District has complied with (a) and (b) above at the commencement of the succeeding Fiscal Year.

Parity Rate Covenants. The Indenture requires the District: (a) to the fullest extent permitted by law, to fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Water Service provided by the Water System which are reasonably expected to be at least sufficient to yield during each Fiscal Year Net Water System Revenues equal to one hundred percent (100%) of Debt Service for such Fiscal Year allocable to the Water System; and (b) to the fullest extent permitted by law, to fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Wastewater Service provided by the Wastewater System which are reasonably expected to be at least sufficient to yield during each Fiscal Year Net Wastewater System Revenues equal to one hundred percent (100%) of Debt Service for such Fiscal Year allocable to the Wastewater System.

For avoidance of doubt, so long as the District has complied with its obligations set forth in subsections (a) and (b) above, the failure of Net Water System Revenues or Net Wastewater System Revenues to meet the thresholds set forth in (a) or (b) 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 (a) and (b) above at the commencement of the succeeding Fiscal Year.

Additional Contracts and Bonds Tests. The Indenture permits 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 2022A Bonds, provided that certain conditions are satisfied as herein described.

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 District

The District is a California irrigation district organized in 1925 under the provisions of the Irrigation District Law. The District has the powers under the Irrigation District Law to, among other things, provide water, sewer, electricity, and water-related recreation services within its service area. In connection therewith, the District has the powers of eminent domain, to contract, to construct works, to fix rates and charges for commodities or services furnished and to incur indebtedness.

The District is the major water supplier located on the western slope of the Sierra Nevada Mountains in El Dorado County, midway between the cities of Sacramento and South Lake Tahoe, generally along the Highway 50 corridor. The contiguous service area of the District spans approximately 220 square miles and includes a variety of urban, suburban, and rural communities and land uses. The District operates over 1,119 miles of water pipe, 27 miles of ditches, 5 water treatment plants, 4 sewage treatment facilities, 456 miles of sewer lines, 60 lift stations, 36 water and 5 recycled water storage and regulating reservoirs and 38 water and 5 recycled water pump stations. The District provides water, and wastewater, and recycled water services to customers within the District, provides recreation services to the public, and sells hydroelectric power on the wholesale market.

As of December 31, 2021, the District provided water service to approximately 42,957 domestic, commercial, industrial and agricultural accounts in several of the developed areas within the District's boundaries, including Cameron Park, Camino, Diamond Springs, El Dorado, El Dorado Hills, Placerville (retail and wholesale), Pollock Pines, Shingle Springs and other communities.

As of December 31, 2021, the District provided wastewater treatment, disposal, and reclamation services to approximately 24,397 domestic, commercial and industrial accounts in the suburban areas of Cameron Park, Diamond Springs, El Dorado, El Dorado Hills and Shingle Springs, recycled water to approximately 5,557 accounts in El Dorado Hills and operates satellite wastewater disposal systems in Camino Heights and Gold Ridge Forest.

The District also operates the Sly Park Recreation Area at Jenkinson Lake, one of the District's main reservoirs. The Sly Park Recreation Area includes 600 surface acres for water activities, 10 picnic areas, 9 miles of shoreline, 2 boat ramps, and 191 individual and 9 group campsites. There are also 9 miles of hiking and equestrian trails.

The District also owns and operates a 21 megawatt hydroelectric generation project licensed by the Federal Energy Regulatory Commission which consists of 4 reservoirs (Echo Lake, Lake Aloha, Caples Lake and Silver Lake), dams, a forebay, a penstock, a powerhouse, and approximately 22 miles of flumes, canals, siphons, and tunnels located through the Sierra Nevada Mountains east of Placerville in the counties of El Dorado, Alpine, and Amador. The District acquired this hydroelectric generation project from Pacific Gas & Electric in 1999. The District operates the hydroelectric generation facilities, including recreational features, incidental to delivery of water through the Water System and sells power generated from such hydroelectric facilities on the wholesale market.

The District contributes to the California Public Employees Retirement System, an agent multiple-employer public employee defined benefit pension plan, on behalf of eligible employees. CalPERS provides retirement, disability and death benefits to plan members and beneficiaries. The District participates in separate CalPERS tiers within the Miscellaneous plan for employees based on hire date and prior CalPERS participation. As described herein, the District expects to refund all or a portion of the District's Unfunded Liability under the PERS Contract and the Retirement Law from a portion of the proceeds of the Bonds.

EL DORADO IRRIGATION DISTRICT

\$ _____* REFUNDING REVENUE BONDS TAXABLE SERIES 2022A

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 El Dorado Irrigation District Refunding Revenue Bonds, Taxable Series 2022A (the “2022A 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 2022A Bonds have the meanings ascribed to them in Appendix B.

The 2022A Bonds

General. The 2022A Bonds will 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 (the “Trustee”).

Purpose. The 2022A Bonds are being issued to provide funds to (i) refund all or a portion of the District’s unamortized, unfunded accrued actuarial liability with respect to pension benefits (the “Unfunded Liability”) which the District is obligated to contribute to under the Public Employees’ Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the “Retirement Law”); and (ii) pay costs of issuance of the 2022A Bonds. See the caption “ESTIMATED SOURCES AND USES OF FUNDS.”

Security. The 2022A Bonds are secured by a pledge of Revenues, subject to the pledge thereon securing Senior Bonds and Senior Contracts. The 2022A Bonds are payable from Revenues, after the payment of Operation and Maintenance Costs, subordinate to the Senior Bonds and Senior Contracts.

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: (i) Net Water System Revenues, which are Water System Revenues remaining after payment of Water System Operation and Maintenance Costs and Senior Debt Service allocable to the Water System; and (ii) Net Wastewater System Revenues, which are Wastewater System Revenues remaining after payment of and Wastewater System Operation and Maintenance Costs and Senior Debt Service allocable to the Wastewater System, as such terms are defined in Appendix B.

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.

Outstanding Senior Obligations and Additional Senior Obligations

The 2022A Bonds are secured by a pledge of Revenues, subject to the pledge thereon securing Senior Bonds and Senior Contracts (collectively the “Senior Obligations”). The District has Senior Obligations outstanding as of April 1, 2022, in the aggregate principal amount of approximately \$334,595,000. The District may incur additional Senior Obligations, as further described herein. See the captions “SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS—Additional Indebtedness” and “EL DORADO IRRIGATION DISTRICT—Other Outstanding Revenue Obligations.”

Parity Obligations

The District currently does not have any outstanding obligations payable from Net Revenues on a parity with the 2022A Bonds. The Indenture permits 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 2022A Bonds, provided that certain conditions are satisfied as herein described. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS—Additional Indebtedness.”

Rate Covenants

Senior Obligations Rate Covenants. Under the Senior Contracts and indentures relating to the Senior Bonds, the District has covenanted: (a) to the fullest extent permitted by law, to fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Water Service provided by the Water System which are reasonably expected to be at least sufficient to yield during each Fiscal Year Water System Revenues, less Operation and Maintenance Costs allocable to the Water System, equal to one hundred twenty-five percent (125%) of Senior Debt Service for such Fiscal Year allocable to the Water System; and (b) to the fullest extent permitted by law, to fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Wastewater Service provided by the Wastewater System which are reasonably expected to be at least sufficient to yield during each Fiscal Year Wastewater System Revenues, less Operation and Maintenance Costs allocable to the Wastewater System, equal to one hundred twenty-five percent (125%) of Senior Debt Service for such Fiscal Year allocable to the Wastewater System.

For avoidance of doubt, so long as the District has complied with its obligations set forth in subsections (a) and (b) above, the failure of Water System Revenues or Wastewater System Revenues, less allocable amounts of Operation and Maintenance Costs as described above, to meet the thresholds set forth in (a) or (b) above at the end of a Fiscal Year shall not constitute a default or an event of default under the Senior Contracts and indentures relating to the Senior Bonds so long as the District has complied with (a) and (b) above at the commencement of the succeeding Fiscal Year.

Parity Rate Covenants. The Indenture requires the District: (a) to the fullest extent permitted by law, to fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Water Service provided by the Water System which are reasonably expected to be at least sufficient to yield during each Fiscal Year Net Water System Revenues equal to one hundred percent (100%) of Debt Service for such Fiscal Year allocable to the Water System; and (b) to the fullest extent permitted by law, to fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Wastewater Service provided by the Wastewater System which are reasonably expected to be at least sufficient to yield during each Fiscal Year Net Wastewater System Revenues equal to one hundred percent (100%) of Debt Service for such Fiscal Year allocable to the Wastewater System.

For avoidance of doubt, so long as the District has complied with its obligations set forth in subsections (a) and (b) above, the failure of Net Water System Revenues or Net Wastewater System Revenues to meet the thresholds set forth in (a) or (b) 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 (a) and (b) above at the commencement of the succeeding Fiscal Year.

Miscellaneous

The summaries and references to the Indenture 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 Indenture and each such document, statute, report or instrument, copies of which are available for inspection at the offices of the District in Placerville, 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 2022A 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 Mark T. Price, CPA, Finance Director, El Dorado Irrigation District, 2980 Mosquito Road, Placerville, California 95667, Telephone: (530) 642-4140.

Unless otherwise indicated, all financial and statistical information herein has been provided by the District.

Continuing Disclosure

The District has covenanted in a Continuing Disclosure Certificate for the benefit of the holders and beneficial owners of the 2022A 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 2021), 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 E —“FORM OF CONTINUING DISCLOSURE CERTIFICATE” with respect to the 2022A 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 caption “THE WATER SYSTEM OF THE DISTRICT—Future Water System Improvements,” “—Projected Operating Results and Debt Service Coverage,” “THE WASTEWATER SYSTEM OF THE DISTRICT—Future Wastewater System Improvements,” “—Future Recycled Water System Improvements,” “—Projected Operating Results and Debt Service Coverage” and “FINANCIAL INFORMATION OF THE DISTRICT” herein.

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.

Validation Statute

In connection with the authorization of the Bonds, the District adopted a resolution (the “Authorizing Resolution”) approving the execution and delivery of the Indenture, the Continuing Disclosure Certificate and the Purchase Contract on March 14, 2022 in order to allow the statutory validation period to run pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part L of the Code of Civil Procedure of the State of California (the “Validation Statute”) prior to the issuance of the Bonds. As of the date of this Official Statement, no action challenging the validity of the Indenture, the Continuing Disclosure Certificate and the Purchase Contract has been filed. However, there can be no assurance that an action will not be filed within the 60 day period provided under the Validation Statute or that a court exercising equitable powers or judicial discretion would not hear an action challenging the validity of the Indenture, the Continuing Disclosure Certificate and the Purchase Contract brought after the 60 day period provided under the Validation Statute.

PLAN OF FINANCE

The Refunding Plan

The District’s qualified employees are eligible to participate in the cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (“CalPERS”). Pursuant to its pension plan, the District is obligated to make payments to CalPERS arising as a result of retirement benefits accruing to members of CalPERS. The District’s obligation includes, but is not limited to, the requirement to amortize the Unfunded Liability and to make annual contributions with respect to such retirement benefits. The District expects to refund all or a portion of its outstanding Unfunded Liability for the District’s Miscellaneous Plan administered by CalPERS in the amount of \$ _____ on or about the date of the issuance of the 2022A Bonds from the proceeds of the 2022A Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds:

Sources:

Principal Amount of 2022A Bonds	\$
Total Sources	

Uses:

Refunding of the Unfunded Liability	\$
Underwriter’s Discount	
Deposit to Costs of Issuance Fund ⁽¹⁾	_____
Total Uses	<u>\$ _____</u>

⁽¹⁾ Includes certain legal, financing and printing costs.

THE 2022A BONDS

General Provisions

The 2022A Bonds will be issued in the aggregate principal amount of \$ _____. Each 2022A Bond will be dated the date of initial delivery, will bear interest from such date at the rates per annum set forth on the inside cover page hereof, payable on July 1, 2022 and each January 1 and July 1 thereafter (each, an “Interest Payment Date”), and will mature on the dates set forth on the inside cover page hereof. Interest on the 2022A Bonds will be computed on the basis of a 360 day year of twelve 30-day months.

The 2022A 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 2022A Bonds.

Ownership interests in the 2022A 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 D 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 2022A Bonds are payable by check of the Trustee upon presentation and surrender thereof at maturity or upon prior redemption at the Designated Corporate Trust Office of the Trustee. Interest on the 2022A 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 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 Designated Corporate Trust 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 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 June 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 2022A Bond, interest thereon is in default, such 2022A 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

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 the Indenture.

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.

Transfers and Exchanges Upon Termination of Book-Entry Only System

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 Designated Corporate Trust 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 will 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 will execute and the Trustee will authenticate and will 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 will 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 dispose of the 2022A Bonds it has received, in accordance with its then customary procedures.

2022A Bonds may be exchanged at the Designated Corporate Trust Office of the Trustee for a like aggregate principal amount of other authorized denominations of the same series and maturity. The Trustee will 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 will 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 dispose of the 2022A Bonds it has received.

Redemption of the 2022A Bonds

Optional Redemption of 2022A Bonds at Par. The 2022A Bonds maturing on and after January 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 20 days (or such lesser number of days acceptable to the Trustee, such notice for the convenience of the Trustee) prior to such date, in integral multiples of \$5,000, on or after January 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 2022A Bonds at Make-Whole Redemption Price. The 2022A Bonds will be subject to redemption prior to January 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 45 days (or such lesser number of days acceptable to 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," is the greater of (1) 100% of the principal amount of the 2022A Bonds being redeemed; and (2) the sum of the present values of the remaining unpaid scheduled payments of principal and interest on any 2022A Bonds being redeemed, not including any portion of those payments of interest accrued and unpaid to the date of redemption, discounted to the redemption date on a semi-annual basis, (assuming a 360-day year consisting of twelve 30-day months), at the Comparable Treasury Yield

(as defined below) plus the following make-whole call spread for the 2022A Bonds maturing on the dates set forth below, plus accrued and unpaid interest on the 2022A Bonds to be redeemed on the redemption date:

<i>Maturity Date</i>	<i>Make-Whole Call Spread (Basis Points)</i>
January 1, 20__ through January 1, 20__	
January 1, 20__ through January 1, 20__	
January 1, 20__ through January 1, 20__	

For purposes of calculating the Make-Whole Redemption Price with respect to the optional make-whole redemption of the 2022A Bonds, the following terms shall have the following meanings:

“Calculation Agent” means a commercial bank or an investment banking institution of national standing that is a primary dealer of United States government securities in the United States and designated by the District (which may be the Underwriter).

“Comparable Treasury Issue” means the United States Treasury security selected by the Calculation Agent as having a maturity comparable to the remaining term to maturity of the 2022A Bonds being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term to maturity of the 2022A Bonds being redeemed.

“Comparable Treasury Price” means, with respect to any date on which a 2022A Bond or portion thereof is being redeemed, either: (a) the average of five Reference Treasury Dealer quotations for the date fixed for redemption, after excluding the highest and lowest such quotations or (b) if the Calculation Agent is unable to obtain five such quotations, the average of the quotations that are obtained. The quotations will be the average, as determined by the Calculation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of principal amount) quoted in writing to the Calculation Agent, at 5:00 p.m. New York City time at least three Business Days but no more than 20 Business Days preceding the date fixed for redemption, as selected by the District.

“Comparable Treasury Yield” means the yield that represents the weekly average yield to maturity for the preceding week appearing in the most recently published statistical release designated “H.15(519) Selected Interest Rates” under the heading “Treasury Constant Maturities,” or any successor publication selected by the Calculation Agent that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity, for the maturity corresponding to the remaining term to maturity of the 2022A Bond being redeemed. The Comparable Treasury Yield will be determined at least three Business Days preceding the date fixed for redemption, as selected by the District. If the H.15(519) statistical release sets forth a weekly average yield for United States Treasury securities that have a constant maturity that is the same as the remaining term to maturity of the 2022A Bonds being redeemed, then the Comparable Treasury Yield will be equal to such weekly average yield. In all other cases, the Comparable Treasury Yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury securities that have a constant maturity: (i) closest to and greater than the remaining term to maturity of the 2022A Bonds being redeemed; and (ii) closest to and less than the remaining term to maturity of the 2022A Bonds being redeemed. Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If, and only if, weekly average yields for United States Treasury securities for the preceding week are not available in the H.15(519) statistical release or any successor publication, then the Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) assuming a price for the Comparable Treasury Issue equal to the Comparable Treasury Price as of the date fixed for redemption.

“Reference Treasury Dealer” means a primary dealer of United States Government securities in the United States (which may be the institution that served as the Underwriter) appointed by the District and reasonably acceptable to the Calculation Agent.

Extraordinary Redemption. 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 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, such notice for the convenience of the Trustee) prior to such date, 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. See Appendix B under the caption “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE— PARTICULAR COVENANTS—Insurance” and “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE— PARTICULAR COVENANTS—Eminent Domain Proceeds,” respectively, for a description of the circumstances under which the 2022A Bonds could be subject to extraordinary redemption from Net Proceeds of insurance or condemnation.

Notice of Redemption

Notice of redemption will be mailed by first class mail or other electronically secure means, to be selected by the District and communicated to the Trustee in writing, 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. 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 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 2022 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 will 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 2022 Bond to be redeemed in part only, together with interest accrued thereon to the Redemption Date, and that (provided that sufficient moneys for redemption have been deposited with the Trustee) from and after such Redemption Date interest thereon will cease to accrue, and will require that such 2022A Bonds be then surrendered to the Trustee at its Designated Corporate Trust Office. 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 2022A Bonds will be delivered by the Trustee at the expense of the District.

With respect to any notice of optional redemption of 2022A Bonds, such notice will 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 2022A Bonds to be redeemed and that, if such moneys have not been so received, said notice will be of no force and effect and the Trustee will not be required to redeem such 2022A Bonds. If funds are not available to consummate such optional redemption, and if the District has knowledge of such unavailability, the District will notify the trustee in writing. 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 promptly after receipt of written instruction from the District, give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

EL DORADO IRRIGATION DISTRICT PAYMENT SCHEDULE

Set forth below is a schedule of District payments of principal of and interest on the 2022A Bonds and payments with respect to Senior Obligations due during the period ending December 31 in each of the years indicated. The District does not currently have any Bonds or Contracts outstanding payable from Net Revenues on a parity with the 2022A Bonds.

<i>Year Ending December 31</i>	<i>District Senior Obligations⁽¹⁾</i>	<i>Series 2022A Bonds</i>		<i>Total Series 2022A Bonds</i>	<i>Total</i>
		<i>Principal</i>	<i>Interest</i>		
2022	\$ 15,013,836				
2023	21,042,030				
2024	20,965,578				
2025	26,441,015				
2026	26,443,026				
2027	26,444,792				
2028	26,440,999				
2029	26,434,443				
2030	26,443,182				
2031	26,439,118				
2032	26,438,210				
2033	26,443,461				
2034	26,445,521				
2035	26,439,592				
2036	26,363,684				
2037	12,821,664				
2038	12,822,239				
2039	12,820,611				
2040	4,373,900				
2041	4,372,600				
2042	4,375,500				
2043	4,373,400				
2044	4,376,100				
2045	4,373,400				
2046	4,375,100				
2047	4,375,900				
2048	4,375,600				
2049	4,374,000				
2050	<u>4,375,800</u>				
Total	\$460,824,300				

⁽¹⁾ Senior Obligations include approximately \$334,595,000 aggregate principal amount in payments secured by Revenues senior to the obligation to pay principal of an interest on the 2022A Bonds. See the captions "INTRODUCTION" and "THE EL DORADO IRRIGATION DISTRICT—Other Outstanding Revenue Obligations."

Source: District.

SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS

Special Obligations Secured by Revenues Subordinate to Senior Obligation

With respect to the 2022A Bonds, all of the Revenues, all amounts held in the Revenue Fund 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 irrevocably pledged to secure the payment of the principal of and interest, and the premium, if any, on the 2022A Bonds, subject however to the pledge thereon securing Senior Obligations and, so long as any of the 2022A Bonds remain unpaid, the Revenues shall not be used for any other purpose; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted in the Indenture. Said pledge, together with the pledge created for the benefit of other Bonds and Contracts, constitutes a second lien on and security interest on Revenues and, subject to application of Revenues and all amounts on deposit therein as permitted in the Indenture, the Revenue Fund and other funds and accounts created for the payment of the principal of and interest, and the premium, if any, on the 2022A Bonds in accordance with the terms of the Indenture, 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 of the Indenture.

In order to carry out and effectuate the pledge and lien contained in the Indenture, the District has agreed and covenanted to receive all Revenues in trust and such Revenues shall be deposited when and as received in a special fund designated as the "Revenue Fund," which fund is continued thereunder 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 remain unpaid. Moneys in the Revenue Fund shall be used and applied by the District as provided in the Indenture. All moneys in the Revenue Fund shall be held in trust and shall be applied, used and withdrawn for the purposes set forth in the Indenture.

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 applied by the District at the times for the transfer to the special funds in the order of priority set forth in the Indenture; and all moneys in each of such funds shall be held in trust and shall be applied, used and withdrawn only for the purposes set forth in the Indenture for the following purposes:

(i) Not later than six (6) Business Days prior to each Interest Payment Date, the District shall, 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 Senior Debt Service in accordance with the provisions of any Senior Obligations.

(ii) Not later than five (5) Business Days prior to 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 applicable trustee for such other reserve funds and/or accounts, if any, as may have been established in connection with Senior Obligations, that sum, if any, necessary to restore such funds or accounts to an amount equal to the reserve requirement with respect thereto.

(iii) Not later than six (6) Business Days 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 amount, if any, necessary for 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.

(iv) 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 (i), (ii) or (iii) above may be expended by the District at any time for any purpose permitted by law.

THE OBLIGATION OF THE DISTRICT TO PAY PRINCIPAL OF AND INTEREST ON THE 2022A BONDS IS AN IRREVOCABLE OBLIGATION OF THE DISTRICT PAYABLE SOLELY FROM DISTRICT NET REVENUES BUT 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 2022A BONDS DOES NOT CONSTITUTE A DEBT OF THE DISTRICT, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

Rate Covenants

Senior Obligations Rate Covenants. Under the Senior Contracts and indentures relating to the Senior Bonds, the District has covenanted: (a) to the fullest extent permitted by law, to fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Water Service provided by the Water System which are reasonably expected to be at least sufficient to yield during each Fiscal Year Water System Revenues, less Operation and Maintenance Costs allocable to the Water System, equal to one hundred twenty-five percent (125%) of Senior Debt Service for such Fiscal Year allocable to the Water System; and (b) to the fullest extent permitted by law, to fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Wastewater Service provided by the Wastewater System which are reasonably expected to be at least sufficient to yield during each Fiscal Year Wastewater System Revenues, less Operation and Maintenance Costs allocable to the Wastewater System, equal to one hundred twenty-five percent (125%) of Senior Debt Service for such Fiscal Year allocable to the Wastewater System

For avoidance of doubt, so long as the District has complied with its obligations set forth in subsections (a) and (b) above, the failure of Water System Revenues or Wastewater System Revenues, less allocable amounts of Operation and Maintenance Costs as described above, to meet the thresholds set forth in (a) or (b) above at the end of a Fiscal Year shall not constitute a default or an event of default under the Senior Contracts and indentures relating to the Senior Bonds so long as the District has complied with (a) and (b) above at the commencement of the succeeding Fiscal Year.

Parity Rate Covenants. The Indenture requires the District: (a) to the fullest extent permitted by law, to fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Water Service provided by the Water System which are reasonably expected to be at least sufficient to yield during each Fiscal Year Net Water System Revenues equal to one hundred percent (100%) of Debt Service for such Fiscal Year allocable to the Water System; and (b) to the fullest extent permitted by law, to fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Wastewater Service provided by the Wastewater System which are reasonably expected to be at least sufficient to yield during each Fiscal Year Net Wastewater System Revenues equal to one hundred percent (100%) of Debt Service for such Fiscal Year allocable to the Wastewater System.

For avoidance of doubt, so long as the District has complied with its obligations set forth in (a) and (b) above, the failure of Net Water System Revenues or Net Wastewater System Revenues to meet the thresholds set forth in (a) or (b) 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 (a) and (b) 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 Revenues from such reduced rates and charges are reasonably expected to be sufficient to meet the requirements of the Senior Obligations and the Indenture.

Additional Indebtedness

Additional Senior Obligations. The District may at any time execute any Senior Contract or issue any Senior Bonds, as the case may be, in accordance with the outstanding Senior Contracts and the indentures related to the outstanding Senior Bonds; provided:

(i) The Revenues, less Operation and Maintenance Costs, for the most recent audited Fiscal Year preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Senior Bonds or the date of the execution of such Senior Contract, as the case may be, as evidenced by both a calculation prepared by the District and a special report prepared by an Independent Certified Public Accountant or an Independent Municipal Advisor on such calculation on file with the District, shall have produced a sum equal to at least one hundred twenty-five percent (125%) of the Senior Debt Service for such Fiscal Year; and

(ii) The Revenues, less Operation and Maintenance Costs, for the most recent audited Fiscal Year preceding the date of the execution of such Senior Contract or the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Senior Bonds, as the case may be, including adjustments to give effect as of the first day of such Fiscal Year to increases or decreases in rates and charges for the Water Service and Wastewater Service approved and in effect as of the date of calculation, as evidenced by a calculation prepared by the District, shall have produced a sum equal to at least one hundred twenty-five percent (125%) of the Senior Debt Service for such Fiscal Year plus the Senior Debt Service which would have accrued on any Senior Contracts executed or Senior Bonds issued since the end of such Fiscal Year assuming such Senior Contracts had been executed or Senior Bonds had been issued at the beginning of such Fiscal Year, plus the Senior Debt Service which would have accrued had such Senior Contract been executed or Senior Bonds been issued at the beginning of such Fiscal Year; and

(iii) The estimated Revenues, less Operation and Maintenance Costs, 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 paid for from proceeds of such Senior Contracts or Senior Bonds (the "Senior Obligations Projects"), as evidenced by a certificate of the General Manager of the District on file with the District, including (after giving effect to the completion of all such uncompleted Senior Obligations Projects) an allowance for estimated Revenues, less Operation and Maintenance Costs, 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 the Water Service and Wastewater 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 twenty-five percent (125%) of the estimated Senior Debt Service for each of such Fiscal Years, after giving effect to the execution of all Senior Contracts and the issuance of all Senior Bonds estimated to be required to be executed or issued to pay the costs of completing all such uncompleted Senior Obligations Projects within such Fiscal Years, assuming that all such Senior Contracts and Senior Bonds have maturities, interest rates and proportionate principal repayment provisions similar to the Senior Contract last executed or then being executed or the Senior Bonds last issued or then being issued for the purpose of acquiring and constructing any of such uncompleted Senior Obligations Projects.

Notwithstanding the foregoing, Senior Bonds or Senior Contracts may be issued or incurred to refund outstanding Senior Bonds or Senior Contracts if, after giving effect to the application of the proceeds thereof, total Senior Debt Service will not be increased in any Fiscal Year in which Senior Bonds or Senior Contracts (outstanding on the date of issuance or incurrence of such refunding Senior Bonds or Senior Contracts, but excluding such refunding Senior Bonds or Senior Contracts) not being refunded are outstanding.

Notwithstanding satisfaction of the other conditions to the execution of any Senior Contract or the issuance of Senior Bonds set forth in the Senior Contracts and the indentures related to the outstanding Senior Bonds, 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.

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

(i) The Net Revenues for the most recent audited Fiscal Year 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, or for any 12 consecutive calendar months during the 18 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 both a calculation prepared by the District and a special report prepared by an Independent Certified Public Accountant or an Independent Municipal Advisor on such calculation on file with the District, shall have produced a sum equal to at least one hundred percent (100%) of the Debt Service for such Fiscal Year or 12 month period; and

(ii) The Net Revenues for the most recent audited Fiscal Year 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, or for any 12 consecutive calendar months during the 18 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, including adjustments to give effect as of the first day of such Fiscal Year or 12 month period to increases or decreases in rates and charges for the Water Service and Wastewater Service approved and in effect as of the date of calculation, as evidenced by a calculation prepared by the District, shall have produced a sum equal to at least one hundred percent (100%) of the Debt Service for such Fiscal Year or 12 month period plus the Debt Service which would have accrued on any Contracts executed or Bonds issued since the end of such Fiscal Year or 12 month period assuming such Contracts had been executed or Bonds had been issued at the beginning of such Fiscal Year or 12 month period, plus the Debt Service which would have accrued had such Contract been executed or Bonds been issued at the beginning of such Fiscal Year or 12 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 Parity Project, as evidenced by a certificate of the General Manager of the District on file with the District, including (after giving effect to the completion of all such uncompleted Parity 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 the Water Service and Wastewater 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 percent (100%) 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 Parity 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 Parity Projects.

Notwithstanding the foregoing, Bonds or Contracts may be issued or incurred to refund outstanding Bonds or Contracts if, after giving effect to the application of the proceeds thereof, total Debt Service will not be increased in any Fiscal Year in which Bonds or Contracts (outstanding on the date of issuance or incurrence of such refunding Bonds or Contracts, but excluding such refunding Bonds or Contracts) not being refunded are outstanding.

Notwithstanding satisfaction of the other conditions to the execution of any Contract or the issuance of Bonds set forth in the Indenture, 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.

On November 7, 2000, the voters of the District approved Advisory Measure K (“Measure K”), which purports to require the District to conduct an advisory vote of ratepayers prior to incurring bonded indebtedness not secured by land. After adoption of Measure K, the District was advised by the Office of Legislative Counsel of the State that the District does not have statutory authority to hold an advisory election of ratepayers under California law. As a result, no advisory election with respect to the issuance of the 2022A Bonds will take place.

No Reserve Fund for the 2022A Bonds

No Reserve Fund has been established or will be funded with respect to the 2022A Bonds.

THE EL DORADO IRRIGATION DISTRICT

General

The District is a California irrigation district organized in 1925 under the provisions of the Irrigation District Law. The District has the powers under the Irrigation District Law to, among other things, provide water, sewer, electricity, and water-related recreation services within its service area. In connection therewith, the District has the powers of eminent domain, to contract, to construct works, to fix rates and charges for commodities or services furnished and to incur indebtedness.

The District is the major water supplier located on the western slope of the Sierra Nevada Mountains in El Dorado County, midway between the cities of Sacramento and South Lake Tahoe, generally along the Highway 50 corridor. The contiguous service area of the District spans approximately 220 square miles and includes a variety of urban, suburban, and rural communities and land uses. The District operates over 1,119 miles of water pipe, 27 miles of ditches, 5 water treatment plants, 4 sewage treatment facilities, 456 miles of sewer lines, 60 lift stations, 36 water and 5 recycled water storage and regulating reservoirs and 38 water and 5 recycled water pump stations. The District provides water, and wastewater, and recycled water services to customers within the District, provides recreation services to the public, and sells hydroelectric power on the wholesale market.

As of December 31, 2021, the District provided water service to approximately 42,957 domestic, commercial, industrial and agricultural accounts in several of the developed areas within the District’s boundaries, including Cameron Park, Camino, Diamond Springs, El Dorado, El Dorado Hills, Placerville (retail and wholesale), Pollock Pines, Shingle Springs and other communities.

As of December 31, 2021, the District provided wastewater treatment, disposal, and reclamation services to approximately 24,397 domestic, commercial and industrial accounts in the suburban areas of Cameron Park, Diamond Springs, El Dorado, El Dorado Hills and Shingle Springs, recycled water to approximately 5,557 accounts in El Dorado Hills and operates satellite wastewater disposal systems in Camino Heights and Gold Ridge Forest.

The District also operates the Sly Park Recreation Area at Jenkinson Lake, one of the District’s main reservoirs. The Sly Park Recreation Area includes 600 surface acres for water activities, 10 picnic areas, 9 miles of shoreline, 2 boat ramps, and 191 individual and 9 group campsites. There are also 9 miles of hiking and equestrian trails.

The District also owns and operates a 21 megawatt hydroelectric generation project licensed by the Federal Energy Regulatory Commission (“FERC”) which consists of 4 reservoirs (Echo Lake, Lake Aloha, Caples Lake and Silver Lake), dams, a forebay, a penstock, a powerhouse, and approximately 22 miles of flumes,

canals, siphons, and tunnels located through the Sierra Nevada Mountains east of Placerville in the counties of El Dorado, Alpine, and Amador. The District acquired this hydroelectric generation project from Pacific Gas & Electric (“PG&E”) in 1999. The District operates the hydroelectric generation facilities, including recreational features, incidental to delivery of water through the Water System and sells power generated from such hydroelectric facilities on the wholesale market.

Service Area

The District currently encompasses a service area of approximately 220 square miles, which constitutes approximately 13% of the total area of El Dorado County. A small portion of the western end of the District extends into Sacramento County. As of 2020, the population of the service area of the District was approximately 129,056, accounting for approximately 66% of the total population of El Dorado County of 195,362 according to the California Department of Finance, estimated as of January 1, 2021.

The District was formed in 1925 to provide domestic water to the City of Placerville, and domestic and irrigation water to local farmers. Over the years, the District has grown by annexation. From 1993 to 2015, the District has annexed approximately 9,910 acres to its service area, which now covers approximately 220 square miles. Territory annexed and served is required to contribute a local distribution system and to pay charges to finance District transmission, distribution, treatment and storage facilities, and to pay the annexation fee of the District. The fee is based on the current secured land assessed value of the property multiplied by the current ten-year average tax rate for the voter approved debt of the District. For example, a property with a land assessed value of \$100,000 would currently be charged an annexation fee of \$1,000.

As required by state law, the Local Agency Formation Commission (“LAFCO”) in El Dorado County has established a “sphere of influence” for the District, which defines the area which may be annexed to the District. The land area between the present service area and the sphere of influence boundary is approximately 156 square miles, making the total sphere of influence of the District approximately 376 square miles. There is no assurance that LAFCO will approve future proposed annexations unless the District verifies adequacy of existing and future water supplies. On December 2, 2020, LAFCO approved a Municipal Services Review Update and Sphere of Influence Update of the District which retained the District’s existing sphere of influence boundary as described above. See the caption “—Certain Factors Affecting Growth” below for a discussion of certain voter approved initiatives which affect development of property within portions of the District.

Governance and Management

The District is governed by a 5-member board of directors (the “Board of Directors”), the members of which are elected from separate divisions of the District for staggered 4-year terms. The current Board of Directors members, the expiration dates of their terms, and their occupations are set forth below:

<i>Board of Directors Member</i>	<i>Expiration of Term</i>	<i>Occupation</i>
Lori Anzini, President	December 2022	Retired Information Technology Consultant
Brian K. Veerkamp, Vice President	December 2024	Retired Fire Chief
Pat Dwyer	December 2022	Retired Operations and Logistics Director
George W. Osborne	December 2024	Retired Senior California Department of Forestry and Fire Protection Official
Alan Day	December 2024	Landscape and Irrigation Designer/Contractor

Day-to-day management of the District is delegated to the General Manager. The current General Manager is James M. Abercrombie. Mr. Abercrombie began his tenure as General Manager on September 8, 2009. Prior to his current position, he was General Manager of the Amador Water Agency in Amador County, just south of El Dorado County. Mr. Abercrombie has more than 40 years of management experience, including 11 years at Amador Water Agency and 20 years with PG&E. His last position with PG&E was El Dorado District Manager, from 1987 to 1998. A long-time El Dorado County resident, he is currently chair of the

Marshall Medical Center Board of Directors, past president of the Placerville Rotary Club, past president of the El Dorado County Chamber of Commerce, El Dorado County Development Corporation, and El Dorado County United Way and past chair of the El Dorado Leadership Program. A registered civil engineer, Mr. Abercrombie earned his engineering degree from Santa Clara University and his master's degree in business administration from that university's Leavey School of Business.

Employees and Employee Benefits

Proposed Refunding of Unfunded Pension Liability. See the caption "PLAN OF FINANCE" for a description of the expected application of a portion of the proceeds of the 2022A Bonds to payoff certain amounts of the District's unfunded liability with respect to its pension plan.

Summary of CalPERS Plans. The District contributes to the California Public Employees Retirement System, an agent multiple-employer public employee defined benefit pension plan, on behalf of eligible employees. CalPERS provides retirement, disability and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State, including the District. Copies of CalPERS' annual financial report may be obtained from its executive office at 400 Q Street, Sacramento, California 95811.

The District participates in separate CalPERS tiers within the Miscellaneous plan for employees based on hire date and prior CalPERS participation. The District's plan is part of CalPERS risk pools. Benefit provisions for each tier as of December 31, 2020, are set forth below.

	<i>Miscellaneous</i>		
	Prior to January 1, 2010	After January 1, 2010 and prior to January 1, 2013	On or after January 1, 2013
Hire Date			
Benefit Formula	2.7% @ 55	2.0% @ 55	2% @ 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	50-63	50-63	52-67
Monthly Benefits, as a % of Eligible Compensation	2.0% to 2.7%	1.426% - 2.418%	1.0% - 2.5%
Required Employee Contribution Rates	8%	7%	6.25%
Required Employer Contribution Rates: ⁽¹⁾			
July 1 to December 31	38.504%	38.504%	38.504%
January 1 to June 30	34.236%	34.236%	34.236%

⁽¹⁾ As described under "—Contributions" below, such percent CalPERS no longer collects required contributions based on a percentage of payroll.

As of the June 30, 2020 measurement date, the following number of employees were covered by the benefit terms of the plans:

<i>Description</i>	<i>Number of Employees</i>
Inactive Employees or Beneficiaries Receiving Benefits	316
Inactive Employees Entitled to but Not Yet Receiving Benefits	148
Active employees	<u>218</u>
Total	682

AB 340, Public Employee Pension Reform Act of 2013 (PEPRA). On September 12, 2012, the Governor of the State signed Assembly Bill 340 ("AB 340"), which implements pension reform in the State. Effective January 1, 2013, AB 340 provides in part as follows: (i) requires public retirement systems and their

participating employers to share equally with employees by January 1, 2018 the normal cost rate (as described below) for such retirement systems; (ii) prohibits employers from paying employer-paid member contributions to such retirement systems for employees hired after January 1, 2013; (iii) establishes a compulsory maximum non safety benefit formula of 2.5% at age 67; and (iv) defines final compensation as the highest average annual pensionable compensation earned during a 36 month period. The Board of Directors approved a letter of understanding with the Association of El Dorado Irrigation District Employees, creating a separate tier of CalPERS pension benefits for employees hired after January 1, 2013 to comply with AB 340's compulsory reduced formula. Benefit provisions and all other requirements are established by State statute and the Board of Directors.

Pursuant to AB 340, the District established a new pension tier (2.0% at 62) for employees hired on or after January 1, 2013 who were not previously CalPERS members.

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 the District's plan 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.

Beginning with CalPERS' fiscal year ended June 30, 2018, CalPERS began collecting employer contributions toward the plan's unfunded liability as dollar amounts instead of the prior method of a contribution rate. According to CalPERS, this change was to address potential funding issues that could arise from a declining payroll or reduction in the number of active members in the plan. Funding the unfunded liability as a percentage of payroll could lead to the underfunding of the plan. For the year ended June 30, 2021, the District's employer required contribution to CalPERS was \$7,747,135 which amount was paid by the District. For the year ending June 30, 2022, the District's employer required contribution to CalPERS is \$7,896,715, which the District has budgeted to be paid.

Based on CalPERS actuarial valuation report as of June 30, 2020 and delivered to the District in July 2021, the District's projected employer contribution is expected to be \$8,587,523 for the year ending June 30, 2023.

The foregoing projections assumed the investment return for fiscal year 2020-21 was 7.0 percent. CalPERS announced a preliminary investment return of 21.3% for fiscal year 2020-21. As a result, the actual contribution requirements for the fiscal years 2023-24 and the following years shown below can be expected to differ from such projections.

<i>Fiscal Year</i>	<i>Required Contribution</i>		<i>Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)</i>			
	<i>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2025-26</i>	<i>2026-27</i>	<i>2027-28</i>
<i>Miscellaneous Plan</i>						
Normal Cost %	10.33%	10.1%	9.8%	9.6%	9.3%	9.0%
UAL Payment	\$6,516,134	\$6,911,000	\$7,296,000	\$6,416,000	\$6,666,000	\$6,829,000
Total as a % of Payroll*	42.83%	43.6%	44.3%	39.1%	39.1%	38.8%
Projected Payroll	\$20,052,170	\$20,603,604	\$21,170,204	\$21,752,384	\$22,350,575	\$22,965,216

* Illustrative only and based on the projected payroll shown.
Source: CalPERS' actuarial valuation report as of June 30, 2020.

Net Pension Liability. The District's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update

procedures. For the June 30, 2020 measurement period, total pension liabilities were based on a June 30, 2019 actuarial valuation date and the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.63%
Payroll Growth	2.88%
Salary Increase ⁽¹⁾	3.2% - 12.2%
Investment Rate of Return ⁽²⁾	7.25%
Mortality Pre-Retirement ⁽³⁾	0.020% - 0.99%

(1) Varies depending on entry-age and service.

(2) Includes inflation.

(3) The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of a January 2017 actuarial experience study for the period from 1997 to 2015.

The following table shows the changes in net pension liability for the District's CalPERS plan for the year ended December 31, 2020.

	<i>Total Pension Liability</i> <i>(a)</i>	<i>Plan Fiduciary Net Position</i> <i>(b)</i>	<i>Net Pension Liability/(Assets)</i> <i>(c)=(a)-(b)</i>
Balance at December 31, 2019 (Valuation Date)	\$ 173,359,388	\$ 109,536,707	\$ 63,822,681
Changes In the Year:			
Service cost	3,089,706	-	3,089,706
Interest on total pension liability	12,321,283	-	12,321,283
Differences between expected and actual experience	1,863,360	-	1,863,360
Contributions from the employer	-	6,728,798	(6,728,798)
Contributions from the employees	-	1,348,334	(1,348,334)
Net investment income	-	5,391,538	(5,391,538)
Benefit payments, including refunds of employee contributions	(8,883,911)	(8,883,911)	-
Administrative expense	-	(154,420)	154,420
Net Changes	<u>8,390,438</u>	<u>4,430,339</u>	<u>3,960,099</u>
Balance at December 31, 2020	<u>\$ 181,749,826</u>	<u>\$ 113,967,046</u>	<u>\$ 67,782,780</u>

On June 25, 2012, the Governmental Accounting Standards Board approved GASB Statement No. 68 ("GASB 68") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. GASB 68 states that, for pensions within the scope of the statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. While the new accounting standards change financial statement reporting requirements, they do not impact funding policies of the pension systems. The audited financial statements of the District for Fiscal Year 2020 reflect the application of the GASB 68. GASB 68 is a change in accounting reporting standards but it does not change the District's CalPERS plan funding obligations.

The following presents the net pension liability of the District's CalPERS plan as of December 31, 2020, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were

calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	<i>Discount Rate – 1%</i> <i>(6.15%)</i>	<i>Current Discount Rate</i> <i>(7.15%)</i>	<i>Discount Rate + 1%</i> <i>(8.15%)</i>
Net Pension Liability	\$ 90,902,162	\$ 67,782,780	\$ 48,527,923

At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Contributions Made Subsequent to the Measurement Date	\$ 3,854,055	\$ -
Difference Between Expected and Actual Experience	1,908,858	-
Change in Assumptions	-	(43,956)
Net Difference Between Projected and Actual Earnings	<u>1,051,950</u>	<u>-</u>
Miscellaneous Plan Total	<u>\$ 6,814,863</u>	<u>\$ (43,956)</u>

Funded Status. The tables below are derived from the CalPERS actuarial valuation report as of June 30, 2020 and delivered to the District in July 2021 and show the funded status of the District’s CalPERS plan at June 30, 2019 and June 30, 2020.

	<i>June 30, 2019</i>	<i>June 30, 2020</i>
1. Present Value of Projected Benefits	\$ 202,054,921	\$ 211,181,197
2. Entry Age Normal Accrued Liability	178,308,751	186,447,540
3. Market Value of Assets (MVA)	<u>109,569,533</u>	<u>113,632,982</u>
4. Unfunded Accrued Liability (UAL)	\$ 68,739,218	\$ 72,814,558
5. Funded Ratio	61.4%	60.9%

Source: CalPERS’ actuarial valuation report as of June 30, 2020.

CalPERS Plan Actuarial Methods. The staff actuaries at CalPERS prepare annually an actuarial valuation which is typically delivered in the time period from July through October of each year (thus, the actuarial valuation dated July 2021 covered CalPERS’ fiscal year ended June 30, 2020). The actuarial valuations express the District’s required contribution which the District must contribute in the fiscal year immediately following the fiscal year in which the actuarial valuation is prepared (thus, the District’s contribution requirement derived from the actuarial valuation as of June 30, 2020 and shown in the report delivered in July 2021 affects the District’s required contribution due in the District’s Fiscal Years 2022 and 2023). CalPERS rules require the District to implement the actuary’s recommended rates.

The CalPERS Chief Actuary considers various factors in determining the assumptions to be used in preparing the actuarial report. Demographic assumptions are based on a study of the actual history of retirement, rates of termination/separation of employment, years of life expectancy after retirement, disability, and other factors. This experience study is generally done once every four years. The most recent experience study was completed in 2017 in connection with the preparation of actuarial recommendations by the CalPERS Chief Actuary as described below.

The District’s required contributions to CalPERS fluctuate each year and, as noted, include a normal cost component and a component equal to an amortized amount of the unfunded liability. Many assumptions are used to estimate the ultimate liability of pensions and the contributions that will be required to meet those obligations. The CalPERS Board of Administration has adjusted and may in the future further adjust certain assumptions used in the CalPERS actuarial valuations, which adjustments may increase the District’s required

contributions to CalPERS in future years. Accordingly, the District cannot provide any assurances that the District's required contributions to CalPERS in future years will not significantly increase (or otherwise vary) from any past or current projected levels of contributions. CalPERS earnings reports for Fiscal Years 2009-10 through 2019-20 report investment gains of approximately 13.3%, 21.7%, 0.1%, 13.2%, 18.4%, 2.4%, 0.6%, 11.2%, 8.6%, 6.7% and 4.7%, respectively. Preliminary returns for Fiscal Year 2020-21 indicate an investment gain of 21.3%. Future earnings performance may increase or decrease future contribution rates for plan participants, including the District.

On December 21, 2016, the CalPERS Board of Administration voted to lower its discount rate from 7.50% to 7.00% over a three period. For public agencies such as the District, the new discount rate took effect July 1, 2017. Lowering the discount rate means that employers which contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013 will also see their contribution rates rise under AB 340. The reduction of the discount rate will result in average employer rate increases of approximately 1% to 3% of normal cost as a percentage of payroll for most retirement plans such as the District's plans. Additionally, many employers will see a 30% to 40% increase in their current unfunded accrued liability payments (relative to the unfunded accrued liability payments projected in the June 30, 2015 valuation report) for pension plans. These payments are made to amortize unfunded liabilities over 20 years to bring pension funds to a fully funded status over the long-term.

The announcement on July 12, 2021 that CalPERS achieved a preliminary investment return of 21.3% for the period from July 1, 2020 through June 30, 2021 caused the CalPERS Board of Administration to lower CalPERS' discount rate from 7.00% to 6.80% on November 15, 2021 in accordance with a risk mitigation policy that was adopted in 2015, which calls for the discount rate to be lowered if returns exceed the then-current discount rate by two or more percentage points.

For additional information relating to the District CalPERS plan, see Note 6 to the District's audited financial statements for Fiscal Year 2020 attached hereto as Appendix A.

Other Post-Employment Benefits. On October 24, 2011, the District approved joining the California Employers' Retiree Benefit Trust Fund ("CERBT") to use it as the means to begin prefunding a portion of future retiree healthcare costs. CalPERS offers the CERBT, which is an investment vehicle that can be used by all California public employers to prefund future retiree health and Other Post Employment Benefit ("OPEB") costs. The CERBT was formed in March 2007 and is administered by CalPERS. CERBT is a constitutional and statutory retirement benefit trust. As trustee of the fund, the CalPERS Board has exclusive fiduciary responsibility over assets in the CERBT, and the duty to administer the fund for the exclusive benefit of participants in a manner assuring delivery of benefits and services at reasonable cost. In order to take advantage of CalPERS expertise, the CalPERS Board designated that the funds be managed by its internal investment staff assisted by contracted investment advisors.

The OPEB plan benefits are fully funded by the District in accordance with the District's adopted Board Policies and Administrative Regulations and with the two labor contracts for employees in the Association of El Dorado Irrigation District Employees and the El Dorado Irrigation District Managers and Supervisors Employee Association. The required contribution is based on projected pay-as-you-go financing requirement. For the Fiscal Years ended December 31, 2021 and 2020, the District contributed \$1,888,553 (based on unaudited actual results) and \$1,763,809, respectively to the OPEB plan. Employees did not make any contributions to the OPEB plan. For Fiscal Year 2022, the District has budgeted \$2,000,000 with respect to post-employment benefits. The District treats all payments to the CERBT as Operations and Maintenance Costs. The District currently does not expect that any increased funding of post-employment benefits in the future will have a material adverse effect on the ability of the District to make payments of principal of and interest on the 2022A Bonds.

At June 30, 2021, membership consisted of the following:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	203
Active Plan Members	215
Total	418

The following shows the schedule of changes in the total OPEB liability for the period from December 31, 2019 to December 31, 2020.

	<i>Increase (Decrease)</i>		
	<i>Total OPEB Liability</i> <i>(a)</i>	<i>Plan Fiduciary Net Position</i> <i>(b)</i>	<i>Net OPEB Liability/(Asset)</i> <i>(c) = (a) - (b)</i>
Balance at December 31, 2019	\$31,552,462	\$10,408,102	\$21,144,360
Changes In the Year:			
Service cost	586,100	-	586,100
Interest on the total OPEB liability	2,170,261	-	2,170,261
Differences between expected and actual experience	80,251	728,389	(648,138)
Contributions from the employer	-	1,763,809	(1,763,809)
Net investment income	-	(360,690)	360,690
Benefit payments, including refunds of employee contributions	(1,763,809)	(1,763,809)	-
Administrative expenses	-	(5,084)	5,084
Net Change	<u>(1,072,803)</u>	<u>362,615</u>	<u>710,188</u>
Balance at December 31, 2020	<u>\$32,625,265</u>	<u>\$10,770,717</u>	<u>\$21,854,548</u>

In June 2015, GASB published Statement No. 75 (“GASB 75”), which replaced the requirements under GASB Statement No. 45. The provisions in GASB 75 became effective for fiscal years beginning after June 15, 2017. The primary objective of GASB 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (i.e. OPEB). GASB 75 requires that most changes in the net OPEB liability be included in OPEB expense in the period of the change. GASB 75 also requires certain descriptive information to be included in the notes to a public agency’s audited financial statements as well as additional supplementary information such as sources of changes in net OPEB liability and the components of the net OPEB liability. The District implemented GASB 75 beginning with its audited financial statements for Fiscal Year 2017. As a result of such implementation, the District restated its net position for Fiscal Year 2016 in its audited financial statements for Fiscal Year 2017. While GASB 75 requires certain changes in the net OPEB liability to be included in OPEB expenses in the period of such change, the District has determined that such changes which are non-cash items are not Operation and Maintenance Costs.

For additional information relating to the District’s OPEB plan, see Note 7 to the District’s audited financial statements for Fiscal Year 2020 attached hereto as Appendix A.

Budget Process

The District utilizes a biennial budgeting process. The proposed biennial budget is prepared by District staff and reviewed by the Board of Directors at several public meetings beginning in October of the prior fiscal year. By December 31, the Board of Directors approves a final budget for the next two fiscal years. The Board of Directors also conducts a mid-cycle review and adjusts the budget at such time as necessary. The District adopted the budget for Fiscal Years 2021 and 2022 on November 9, 2020 and the mid-cycle operating budget for Fiscal Year 2022 on December 13, 2021. As of March 1, 2022, there have been no material amendments to the mid-cycle operating budget for Fiscal Year 2022.

An independent auditor annually audits all District funds by June 30 of the following fiscal year. The District annually submits an Annual Comprehensive Financial Report (“ACFR”) to the Government Finance Officers Association of the United States and Canada for review. The District has annually received the Government Finance Officers Association Award for Excellence in Financial Reporting since 1996.

District Property and Liability Insurance

The District currently carries the following types of commercial insurance on its general District and hydroelectric operations:

General District and Hydroelectric Project 184 Liability Coverage:

- Liability: General, Auto & Public Officials Errors & Omissions: \$55,000,000 per occurrence with a \$100,000 retrospective allocation point (RAP)
- Dam Failure Liability: \$5,000,000 per occurrence with a \$1,000,000 retention
- Cyber Liability: \$5,000,000 per claim with a \$75,000 retention

General District Property Coverage (Excluding Hydroelectric Project 184 Property):

The District carries commercial property coverage on 119 general District premises, including buildings and contents. The coverage is an all risk property insurance policy, subject to certain exclusions, which provides replacement value of real and personal property owned by the District in the event of a covered loss.

Coverage includes:

- Property Limit: \$500,000,000 with a \$5,000 deductible for real property and \$1,000 deductible for mobile equipment and licensed vehicles/trailers
- Boiler & Machinery : \$100,000,000 per occurrence with \$50,000 deductible
- Business Interruption: \$10,000,000
- Earthquake coverage: \$2,500,000 program aggregate with a deductible of 5% of TIV
- Flood coverage: \$25,000,000 with a deductible of \$100,000
- Crime coverage: \$100,000 per loss with a \$1,000 deductible

Hydroelectric Project 184 Property Coverage:

The District carries commercial property coverage on 9 Hydroelectric Project 184 premises, including buildings, contents, canals and flumes. Coverage is an all-risk property insurance policy subject to certain exclusions, with a total scheduled value of \$191,765,606. The policy has a per occurrence loss limit of \$36,000,000, subject to a \$5,000 deductible. Coverage for boiler and machinery/equipment breakdown is included. The business interruption coverage is included in the total policy limit and has a 45-day waiting period per occurrence. Flood and earthquake coverage is also included and each carry an annual aggregate limit of \$2,500,000. In addition to insurance bought on the commercial market, the District has created an insurance reserve fund for insurance deductibles, unexpectedly large claims, or judgments that are not covered by insurance. As of December 31, 2021, the District had \$1,000,000 on deposit in the insurance reserve fund.

For additional information relating to the District's insurance coverage, see Note 8 to the District's audited financial statements for Fiscal Year 2020 attached hereto as Appendix A. The insurance coverage described above differs in certain respects from Note 8 to the District's audited financial statements for Fiscal Year 2020 as a result of certain modifications to coverage amounts since the time such audited financial statements were prepared.

Other Outstanding Revenue Obligations

Senior Bonds and Senior Contracts. The obligation of the District to pay principal of and interest on the 2022A Bonds is payable from the District Net Revenues on a subordinate basis to approximately \$334,595,000 (as of April 1, 2022) aggregate principal payments due on Senior Contracts and Senior Bonds arising from: (i) the obligation of the District to make debt service payments on the District's 2014A Bonds in the outstanding aggregate principal amount of \$5,575,000; (ii) the obligation of the District to make debt service payments on the District's 2016A Bonds in the outstanding principal amount of \$7,460,000; (iii) installment payments in the outstanding aggregate principal amount of \$37,405,000 under the Installment Purchase Agreement, dated as of June 1, 2016, by and between the District and the Corporation; (iv) the obligation of the District to make debt service payments on the District's 2016C Bonds in the outstanding principal amount of \$25,240,000; (v) the installment payments in the outstanding aggregate principal amount of \$61,080,000 under the Installment Purchase Agreement, dated as of June 1, 2020, by and between the District and the Corporation; (vi) the obligation of the District to make debt service payments on the District's 2020B Bonds in the outstanding aggregate principal amount of \$4,195,000; (vii) the obligation of the District to make debt service payments on the District's 2020C Bonds in the outstanding aggregate principal amount of \$115,360,000 and (viii) the obligation of the District to make debt service payments on the District's 2020D Bonds in the outstanding aggregate principal amount of \$78,280,000 (collectively, the "Senior Payments").

Bonds and Contracts. The District currently does not have any outstanding Bonds or Contracts payable from the District Net Revenues on a parity with the 2022A Bonds.

1% Property Tax Revenues

The County levies a 1% *ad valorem* property tax on behalf of all taxing agencies in the County, including the District. The taxes collected are allocated to taxing agencies within the County, including the District, on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of "situs" growth in assessed value (new construction, change of ownership and inflation) prorated among the jurisdictions, which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas, which were developed to permit the levying of taxes for less than countywide or less than citywide special districts.

For Fiscal Year 2021, the allocation of the 1% *ad valorem* property tax received by the District (the "1% Property Tax Revenues") was \$14,526,268 (based on unaudited actual results) compared to \$13,960,645 in 2020. 1% Property Tax Revenues as a percentage of the total revenues of the District averaged approximately 4.05% over the last five Fiscal Years. See the caption "INVESTMENT CONSIDERATIONS—COVID-19 Pandemic."

From time to time legislation has been considered as part of the State budget to shift the 1% Property Tax Revenues from special districts to school districts or other governmental entities. While legislation enacted in connection with the State fiscal year 1992-93 budget shifted approximately 35% of many special districts' shares of the countywide 1% *ad valorem* property tax, the share of the countywide 1% *ad valorem property tax allowable to multi-county special districts, such as the District, was exempted. The State fiscal year 2004-05 budget reallocated additional portions of the special districts' shares of the countywide 1% ad valorem property tax, shifting a portion of the 1% Property Tax Revenues collected by the County from special districts to school districts. As a result of the State fiscal year 2004-05 budget, the District lost approximately \$10,400,000 of 1% Property Tax Revenues, cumulatively, over State fiscal years 2004-05 and 2005-06. Pursuant to the State fiscal year 2004-05 budget, such 1% Property Tax Revenues reverted to the District in State fiscal year 2006-07,*

however, the 1% Property Tax Revenues lost in State fiscal years 2004-05 and 2005-06 were not refunded to the District.

On November 2, 2004, State voters approved Proposition 1A, which amended the State Constitution to significantly reduce the State’s authority over major local government revenue sources. Under Proposition 1A, the State may not: (i) reduce local sales tax rates or alter tax allocations; (ii) shift property taxes from local governments to schools or community colleges; (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature; or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Beginning in Fiscal Year 2009, the State may shift to schools and community colleges a limited amount of local government property tax revenue if: (a) the Governor proclaims that the shift is needed due to a severe financial hardship; and (b) the State Legislature approves the shift by a two-thirds vote of both houses. Under such a shift, the State of California must repay local governments for their property tax losses with interest within three years.

On November 2, 2010, California voters approved Proposition 22, the provisions of which superseded many of the provisions of Proposition 1A. Proposition 22: (i) prohibits the State from shifting or delaying the distribution of funds from special districts to schools and community colleges; (ii) eliminates the authority to shift property taxes temporarily during a severe financial hardship of the State; and (iii) restricts the State’s authority to use fuel tax revenues to pay debt service on transportation bonds, to borrow or change the distribution of fuel tax revenues or to use Vehicle License Fee revenues to reimburse local governments for state-mandated costs.

Notwithstanding Proposition 22, there can be no assurance that the 1% Property Tax Revenues the District currently expects to receive will not be reduced pursuant to State legislation enacted in the future. If the property tax formula is permanently changed in the future, it could have a material adverse effect on the receipt of 1% Property Tax Revenues by the District. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS— Special Obligations Secured by Revenues Subordinate to Senior Obligation” for a discussion of the extent to which 1% Property Tax Revenues are available to make payments of principal of and interest on the 2022A Bonds.

The District currently allocates 1% Property Tax Revenues between the Water Fund and the Sewer Fund on a year-to-year basis. The District allocated 1% Property Tax Revenues for the calendar year ended December 31, 2021 as shown in the table below. The Board of Directors has approved an allocation of 1% Property Tax Revenues between the Water and Wastewater Systems to reflect 75% to the Water System and 25% to the Wastewater System for Fiscal Year 2022.

**El Dorado Irrigation District
1% Property Tax Revenue Allocations By Fund and Purpose
Calendar Year Ended December 31, 2021**

<i>Fund</i>	<i>Allocation of Total Property Tax Revenues</i>	<i>Percentage of Allocation By Funding Purpose</i>
Water Fund	\$10,894,701	75%
Sewer Fund	\$3,631,567	25%

Assessed Valuations, Tax Collections and Tax Delinquencies

The following table shows the secured assessed valuation, tax collections and rate of tax collections within the County of El Dorado and the amount of 1% Property Tax Revenues received by the District during the five most recent State fiscal years (ending June 30). As a result of the implementation of the tax distribution system commonly referred to as the “Teeter Plan” by the County of El Dorado and the participation by the District beginning in July 1984, the District receives 100% of its share of the 1% Property Tax Revenues without

regard to delinquencies. There can be no assurance that the Teeter Plan or the participation of the District therein will be continued indefinitely.

**El Dorado County
Secured Assessed Valuation and Tax Collection Record
County Fiscal Years Ended June 30, 2017 through June 30, 2021**

<i>Fiscal Year ended June 30</i>	<i>Total Secured Assessed Valuation (County-Wide)</i>	<i>Secured Property Tax Levy (County-Wide)</i>	<i>Taxes Collected (County-Wide)</i>	<i>Rate of Tax Collections (County- Wide)</i>	<i>District Allocations in Corresponding Calendar Year⁽¹⁾</i>
2021	\$35,482,640,077	\$354,831,214	\$351,358,334	99.02%	\$14,526,268
2020	33,832,878,764	338,333,601	333,748,812	98.64	13,960,645
2019	32,484,822,679	324,868,302	320,675,565	98.71	12,254,078
2018	30,625,366,116	306,273,737	302,874,099	98.89	12,057,024
2017	28,831,601,540	288,336,090	285,366,228	98.97	11,306,000

⁽¹⁾ District allocation based on County Fiscal Year ended June 30: differs from property tax shown under the caption “FINANCIAL INFORMATION OF THE DISTRICT—Historic Operating Results and Debt Service Coverage,” which is based on District Fiscal Year ended December 31.

Source: El Dorado County Auditor-Controller for Total Secured Assessed Valuation, Secured Property Tax Levy, Taxes Collected and Rate of Tax Collections; El Dorado Irrigation District for District Allocations.

Secured assessed valuation for the County of El Dorado for the fiscal year ending June 30, 2022, as reported by the County of El Dorado, is \$37,043,150,409, a 4.40% increase over the prior year. There can be no assurance that secured assessed valuation for the County of El Dorado will not be reduced in the future. No assurances can be made that development of property within the District will not decline from levels currently expected or property values within the District will not decline as a result of economic conditions caused by COVID-19. See the caption “INVESTMENT CONSIDERATIONS—COVID-19 Pandemic.”

Ad Valorem Tax

Subject to voter approval, the District may from time-to-time collect assessments levied with property taxes in connection with debt service upon general obligation bonds of the District. *Ad valorem* assessments collected by the District, if any, are not pledged to the payment of the principal of and interest on the 2022A Bonds.

Certain Factors Affecting Growth

Measure Y Traffic Control Initiative. The Measure Y Traffic Control Initiative is an amendment to the El Dorado County General Plan, which, among other things, prevents the use of county tax revenues for the mitigation of traffic impacts caused by new development and requires developer-financed traffic impact mitigation improvements as a condition of new development. Passage of this measure in November 1998 has changed the planning associated with new subdivision growth in the County and the District. The County Board of Supervisors (the “County Board”) adopted an interpretation of the meaning and effect of Measure Y and incorporated such interpretation in its 2006 General Plan. Among the immediate impacts of Measure Y was a substantial increase in traffic impact fees paid as a condition of new development. In 2008, voters approved a modified version of Measure Y that added the following policies to the County General Plan: (i) the establishment of minimum service levels on roads in unincorporated areas of the County as a precondition to the approval of new subdivision maps; (ii) a requirement that new development fully fund roadway capacity improvements needed to offset traffic impacts; and (iii) a requirement that voters approve the expenditure of County tax revenues to pay for road capacity improvements to mitigate impacts of new development.

Measure E Traffic Control Initiative. On June 7, 2016, voters in El Dorado County narrowly approved Measure E, a ballot initiative titled “Initiative to Reinstate Measure Y’s original intent – no more paper roads.”

Measure E revises the policies contained in the County General Plan as follows: (i) revises an existing policy limiting traffic impacts from the development of five or more parcels to include the development of five or more units, (ii) eliminates the ability of the County Board to add to the list of roads allowed to operate at Level of Service F without voter approval, (iii) requires completion of road improvements necessary to prevent cumulative traffic impacts of new development from reaching Level of Service F during peak hours before the County grants any form of discretionary approval to a covered project, (iv) adds a policy prohibiting the use of County tax revenues to pay for building road capacity improvements to offset traffic impacts from new development, unless County voters first approve, (v) requires that the County condition project approval on construction of all road improvements necessary to maintain or attain Level of Service standards detailed in the County Transportation Element and eliminates the County's ability to approve a project that worsens traffic on the County road system even when necessary road improvements are included in either the County's 10-or 20-year Capital Improvement Program, (vi) adds a new policy requiring that the County apply mitigation fees and assessments collected for infrastructure to the geographic zones from which they originated, (vii) exempts certain improvements to existing residential infrastructure from payment of traffic impact mitigation fees and provides fee credits for other improvements, and (viii) mandates that the California Department of Transportation determine the traffic levels of service on Highway 50 on- and off-ramps and road segments and requires the County to fully accept such determinations for traffic planning purposes.

Prior to the June 7, 2016 election and pursuant to California Elections Code section 9111, El Dorado County's Chief Administrative Office issued a report concluding that Measure E will likely have a noticeable adverse impact on economic development, including the loss of jobs, limitations on the County's ability to attract new commercial or industrial development, and the restriction of new commercial and/or industrial investment in the County. On August 9, 2016, after the election results had been certified, the County's Chief Administrative Office, County Counsel, and Community Development Agency presented another memorandum to the County Board of Supervisors analyzing the impacts of Measure E. That memorandum identifies a number of potential legal conflicts, ambiguities, and internal inconsistencies relative to Measure E's language, and provides recommendations regarding how to ascertain the voters' intent in order to resolve those issues and interpret and implement Measure E consistent with applicable policies, regulations and laws.

On July 29, 2016, the El Dorado County Alliance for Responsible Planning filed a lawsuit in El Dorado County Superior Court seeking to invalidate Measure E. The lawsuit alleged that Measure E unlawfully prevents mitigation of traffic impacts, and is internally inconsistent with and frustrates the goals, objectives, and policies of the El Dorado County General Plan. The lawsuit sought a declaratory judgement that Measure E is invalid and a writ of mandate ordering the Board of Supervisors to cease enforcing the measure. In August 2017, the County Superior Court judge issued a judgment in which it held that certain provisions of Measure E are unconstitutional and upheld other provisions of Measure E. In particular, the County Superior Court judge's decision invalidated the following provisions of Measure E: (i) the requirement of completion of road improvements necessary to prevent cumulative traffic impacts of new development from reaching Level of Service F during peak hours before the County grants any form of discretionary approval to a covered project, (ii) the policy prohibiting the use of County tax revenues to pay for building road capacity improvements to offset traffic impacts from new development, unless County voters first approve, (iii) the requirement that that the County condition project approval on construction of all road improvements necessary to maintain or attain Level of Service standards detailed in the County Transportation Element and eliminates the County's ability to approve a project that worsens traffic on the County road system even when necessary road improvements are included in either the County's 10-or 20-year Capital Improvement Program, (iv) adds a new policy requiring that the County apply mitigation fees and assessments collected for infrastructure to the geographic zones from which they originated, and (v) mandates that the California Department of Transportation determine the traffic levels of service on Highway 50 on- and off-ramps and road segments and requires the County to fully accept such determinations for traffic planning purposes.

The County Superior Court judge's decision upheld provisions of Measure E which: (i) revised an existing policy limiting traffic impacts from the development of five or more parcels to include the development of five or more units, (ii) eliminates the ability of the County Board to add to the list of roads allowed to operate

at Level of Service F and (iii) exempts certain improvements to existing residential infrastructure from payment of traffic impact mitigation fees and provides fee credits for other improvements.

On September 29, 2017, defendants Sue Taylor et al., appealed the Superior Court's decision to the California Court of Appeal, Third Appellate District. On April 19, 2021, the Court of Appeal affirmed the Superior Court's decision in full.

The County's Board of Supervisors has revised the County's General Plan to make it consistent with the Superior Court's judgment as described above and affirmed by the Court of Appeal. The District does not expect that the effects of Measure E, as modified, will have a material adverse impact on the District's ability to pay the principal of and interest on the 2022A Bonds.

THE WATER SYSTEM OF THE DISTRICT

The Water System

The lands within the District vary from gently rolling hills to mountainous terrain and in elevation from 500 to 4,200 feet above sea-level. The District operates its Water System within 180 distinct pressure zones. The contiguous water system of the District has three primary sources of water: FERC El Dorado Project 184 ("Project 184") at Forebay Reservoir, Jenkinson Lake, and Folsom Reservoir. See the caption "—Water Supply." The three sources of water all contribute to the main contiguous system and can be utilized to balance or partially balance water demands throughout the District. The District also operates small satellite water systems in the communities of Strawberry and Outingdale.

Project 184 within the upper portions of the South Fork of the American River watershed historically provides one of the primary sources of water to the District, with up to 15,080 acre-feet obtained annually by the District via the Main Ditch from Forebay Reservoir. The Main Ditch conveyance is currently being converted from an open ditch to a modern buried pipeline to improve source water quality and reduce losses associated with the ditch conveyance. The source water is gravity-conveyed to the Reservoir 1 Water Treatment Plant and distribution facilities, one of the three major water treatment facilities of the District. Water treated at this facility supplies Pollock Pines and the upper Sly Park area, and is distributed into the Camino, Apple Hill, and Placerville areas. Water from this facility is also supplied via large transmission mains including the El Dorado Main System and Gold Hill Intertie to the communities of Shingle Springs, Cameron Park and El Dorado Hills. In some years when supply conditions are necessary, some untreated water from this supply is conveyed to Jenkinson Lake through the Hazel Creek Tunnel to augment drinking water storage at that facility.

Since the mid-1950s, the District has utilized approximately 23,000 acre-feet of water annually from Jenkinson Lake located on a tributary to the Cosumnes River. Water from Jenkinson Lake is treated at the Reservoir A Water Treatment Plant. Treated water from Reservoir A Water Treatment Plant is then routed along the southern portion of the District via the Pleasant Oak Main/Diamond Springs Main through the communities of Pleasant Valley, Diamond Springs, El Dorado and Shingle Springs, to Cameron Park. Jenkinson Lake and Reservoir A Water Treatment Plant also provide water to the north side of the District via the Camino Conduit to the Camino area and on to the central and western parts of the District via El Dorado Main No. 1 and No. 2 transmission mains; and as far as El Dorado Hills on the western edge of the District via the Gold Hill Intertie. On the south side, Jenkinson Lake raw water is also released into Clear Creek for aesthetic purposes and for agricultural and irrigation uses in the Crawford Ditch.

The El Dorado Hills water treatment plant treats water from multiple sources pumped from Folsom Reservoir, including a USBR Repayment Contract for 7,550 acre-feet, and two local water rights totaling 21,560 acre-feet conveyed to and withdrawn from Folsom Reservoir via Warren Act Contracts. The plant serves the El Dorado Hills community. See the caption "—Water Supply" below.

Water Supply

The District obtains its water supply from three primary sources and one supplemental source: (1) licensed appropriative water rights at Jenkinson Lake; (2) a permanent repayment contract and two Warren Act Contracts with the United States Department of Interior, Bureau of Reclamation (the “USBR”) from Folsom Reservoir, a unit of the Central Valley Project; (3) pre-1914 water rights from the South Fork American River and Truckee River watershed, delivered to the Forebay Reservoir in Pollock Pines via Project 184; and (4) as a supplemental source, pre-1914 water rights from the North Fork Cosumnes River and Clear Creek through the Crawford Ditch. In 2021 the calculated system firm yield from the first three of these sources of water supply of the District totaled 63,500 acre-feet. See under the caption “—Future Water Supplies.”

The District’s primary sources of surface water are the American River and the Cosumnes River. The inability to divert water from the American River or the Cosumnes River, whether due to damage to infrastructure relating thereto or for any other reason, would have a material adverse effect on the District’s water supply. See the caption “INVESTMENT CONSIDERATIONS—Availability of Surface Water.”

Sly Park Unit of the Central Valley Project. In December 2003, the District acquired the Sly Park Unit of the Central Valley Project, by discharging the former Sly Park Bureau Contract (the “Sly Park Facilities Contract”), as amended in 1961, 1972, 1975, and 1986 with the USBR and the former Sly Park Reservoir water service contract (the “Sly Park Water Contract” and together with the Sly Park Facilities Contract, the “USBR Contracts”). The District now owns, operates and receives water from these facilities consisting of the Sly Park dams and reservoir (Jenkinson Lake), Camp Creek diversion dam and tunnel, Camino Conduit, El Dorado Main Nos. 1 and 2, rights-of-way, and all appurtenances, facilities, and structures to provide water to the District. The water rights associated with these facilities are in excess of the District’s maximum annual historical use from such facilities. The annual supply of Jenkinson Lake is approximately 23,000 acre-feet.

In October 1992, the President of the United States signed into law P.L. 102-575, Title 34, known as the Central Valley Project Improvement Act. The most significant impact of the legislation on the District was the establishment of the Environmental Restoration Fund, which levies a charge for water purchased under USBR Contracts. Despite the discharge of the USBR Contracts in December 2003, the District is required to continue to make payments into the Environmental Restoration Fund through 2029. For Fiscal Year 2021, the District paid \$33.34 (based on unaudited actual results) to the USBR for deposit into the Environmental Restoration Fund in connection with the former Sly Park Water Contract. This total reflects a charge of \$22.23 per acre-foot for municipal and industrial water, and \$11.11 per acre-foot for irrigation water.

Folsom Reservoir WIIN and Warren Act Contracts. Pursuant to a permanent repayment contract between the District and USBR (the “Folsom Reservoir Repayment Contract”), the District can divert up to 7,550 acre-feet per year of Central Valley Project water from Folsom Reservoir to serve the El Dorado Hills and western Cameron Park area. The original Folsom Reservoir contracts were executed pursuant to the Reclamation Act on October 5, 1964 and December 19, 1973, and interim contracts were executed to provide water deliveries through the year 2006. In 2006, the District and USBR executed a long-term Folsom Reservoir water service contract that consolidated the two previous contracts. The Folsom Reservoir water service contract had a term of 40 years and provided the District with a right to successive renewals in accordance with its terms. On January 11, 2021, the District’s Board of Directors approved conversion of the long-term Folsom Reservoir water service contract into a permanent repayment contract pursuant to the Water Infrastructure Improvements for the Nation Act (“WIIN”).

The rate for water service paid by the District to the USBR under the Folsom Reservoir Repayment Contract covers reimbursement of the capital costs of Folsom Reservoir, interest on capital costs allocated to municipal and industrial water users and operations and maintenance costs. Under the Folsom Reservoir Repayment Contract, the District paid approximately \$198,000 of its remaining construction costs obligations associated with the Folsom Reservoir facilities. The cost paid by the District for water for municipal and industrial users in 2021 was \$34.66 per acre-foot. Additionally, the Environmental Restoration Fund charge is \$22.38 per acre-foot, resulting in a total cost per acre foot of water from Folsom Reservoir to the District for

2021 of \$57.04. In Fiscal Year 2021 Environmental Restoration Fund payments to the USBR for Folsom Reservoir totaled \$141,575. For Fiscal Year 2022, the District budgeted \$400,000 for the total cost of Folsom Reservoir Water Service Contract deliveries.

In 2020, environmental organizations (Center for Biological Diversity, Restore the Delta, Planning and Conservation League, North Coast Rivers Alliance, California Sportfishing Alliance, etc. (collectively “Plaintiffs”)) filed two lawsuits against USBR seeking to invalidate WIIN Act repayment contracts on the alleged grounds that USBR failed to comply with the Endangered Species Act and National Environmental Policy Act prior to converting water service contracts into repayment contracts. On April 2, 2021, Plaintiffs in one of the cases (Center for Biological Diversity, Restore the Delta, and Planning and Conservation League v. United States Bureau of Reclamation et al., United States District Court, Eastern District of California, Case No. 1:20-cv-00706-DAD-EPG) amended their complaint to name the District, along with approximately 80 other repayment contract holding water agencies, as defendants. Parties to the action have moved and cross-moved for summary judgement though, as of the date of this Official Statement, no decision has yet been rendered. The District does not believe that this litigation will materially impact its ability to continue delivering water from Folsom Reservoir under its Folsom Reservoir Repayment Contract because even if the Folsom Reservoir Repayment Contract is invalidated the District would revert to diverting water pursuant to the terms of its long-term water service contract, which the Folsom Reservoir Repayment Contract sought to replace.

In August 2010, the District and the USBR executed a long-term Warren Act Contract (the “Ditch/Weber Warren Act Contract”) to enable the District to utilize at Folsom Reservoir up to 4,560 acre-feet of water per year from four water rights formerly associated with historic District facilities. These water rights were included in the District’s system firm yield calculations for the first time in 2011. Three of the water rights are pre-1914 water rights associated with the Summerfield, Gold Hill, and Farmers Free Ditches, which are no longer operated. The fourth water right is a licensed appropriative right associated with Weber Reservoir. The term of the Ditch/Weber Warren Act Contract is 40 years, beginning March 1, 2011. Based on exercise of this contract over the past decade, the District expects the cost per acre-foot of water to be slightly less each year than the water cost under the Folsom Reservoir Water Service Contract. The cost paid by the District for water for municipal and industrial users in 2021 was \$38.39 per acre-foot. No Environmental Restoration Fund payments are required under the Ditch/Weber Warren Act Contract.

Additionally, the District has obtained an appropriative water right (Permit 21112) to make consumptive use of 17,000 acre-feet annually of the water previously used only for Project 184’s hydroelectric power operations. Pursuant to this right, water may be taken from Folsom Reservoir and delivered to District customers. On August 3, 2016, the District and USBR finalized and signed a long-term Warren Act Contract for use of the full 17,000 acre-feet until 2030, after which such contract is eligible for renewal. The cost paid by the District for water for municipal and industrial users in 2021 was \$38.39 per acre-foot. No Environmental Restoration Fund payments are required under the Permit 21112 Warren Act Contract.

New Water Service Contract for Folsom Reservoir. P.L. 101-514, signed into law in 1992, directs the USBR to enter into a long-term water service contract with the El Dorado County Water Agency (the “EDCWA”) for 15,000 acre-feet per year of water from Folsom Reservoir or upstream on the American River. EDCWA certified an Environmental Impact Report for this project in 2011 and EDCWA-USBR contract negotiations concluded in 2019. The final Environmental Impact Statement was published on May 10, 2019 and the Record of Decision was issued in October 2019. EDCWA and USBR signed the long-term water service contract on October 23, 2019 for a term of 40 years.

Though the District and EDCWA have not yet negotiated a contract that will enable the District to utilize this supply, the District expects that, pursuant to a prior contract with the EDCWA, the District will receive at least one-half, or 7,500 acre-feet, of the water subject to future negotiation of repayment costs. This contract entitlement, if secured, will be in addition to the current Folsom Reservoir Repayment Contract entitlement of 7,550 acre feet of water, the Ditch/Weber Warren Act Contract entitlement of 4,560 acre-feet of water, and the Permit 21112 Warren Act Contract entitlement of 17,000 acre-feet of water.

Forebay Reservoir. The District purchased Project 184 from PG&E in October 1999 and has retained its pre-1914 rights to 15,080 acre-feet of water annually delivered by Project 184 facilities to the Forebay Reservoir (a portion of Project 184) for water supply purposes. Project 184 is located in El Dorado, Amador, and Alpine Counties, predominantly in El Dorado County within the South Fork American River watershed. Water stored in Silver, Caples, and Echo lakes and Lake Aloha is released and then diverted, along with natural river flows, into the El Dorado Canal near Kyburz and Highway 50. The El Dorado Canal conveys up to 165 cubic feet per second (“cfs”) approximately 22.5 miles to Forebay Reservoir in Pollock Pines. At the Forebay Reservoir, the District diverts up to 15,080 acre-feet per year for drinking water treatment at Reservoir 1 water treatment plant. The balance of the flows entering Forebay Reservoir is utilized for power generation at Project 184’s El Dorado Powerhouse.

Crawford Ditch. The District has pre-1914 water rights to 5,000 acre-feet of water annually for both the North Fork Cosumnes River and Clear Creek points of diversion into the Crawford Ditch, a Gold Rush era ditch. Up to 15 cfs of water can be diverted from the North Fork Cosumnes River into the ditch by a diversion dam, and up to 15 cfs from Clear Creek by a diversion structure. Diversions are allowed from May to October on the North Fork Cosumnes River, and year-round from Clear Creek. Water from Crawford Ditch is available only as raw water for irrigation and agricultural customers located along the Crawford Ditch and none of this supplemental supply is included in the District’s system firm yield water supply calculations. Tail water from the Crawford Ditch also supplements the pre-1914 water rights on Squaw Hollow Creek into the East-Diamond Ditch.

Hydroelectric Facilities. While the District generates power sales revenue from operating Project 184, the 1999 purchase of Project 184 from PG&E was primarily undertaken to preserve the pre-1914 water rights associated with the facilities (see the caption “—Water Supply—Forebay Reservoir” above) and to facilitate the acquisition of additional water rights thereafter obtained by Permit 21112. See the captions “—Water Supply—Forebay Reservoir” and “—Future Water Supplies.”

Since acquiring Project 184, the District has repaired extensive damage to the project caused by flooding and landslides in January 1997 and has continued to replace Project 184 assets that have reached end of life to maintain water supply reliability. The District previously sold all hydroelectric power generated by Project 184 to PG&E pursuant to a contract executed in 2010; however, the contract with PG&E expired in 2021. In 2021, the District entered into a new contract to sell all hydroelectric power generated by Project 184 to Pioneer Community Energy. The contract with Pioneer Community Energy is for a term of 10 years. Pursuant to the contract with Pioneer Community Energy, the District sells all hydroelectric power generated at the El Dorado Powerhouse at a specified contract price for each Megawatt-hour of delivered energy. Annual revenues are estimated to be \$3,500,000 to \$5,000,000 per year depending on hydrologic conditions. See the caption “—Hydroelectric Revenues.

Response to Weather Conditions

Drought. Hydrological conditions in California can vary widely, both in location and from year to year. From 2012 to 2016, much of California experienced one of the driest periods on record. Although the District maintained adequate water supplies during that period to serve customers at historic levels, state-wide restrictions imposed by then Governor Edmund G. Brown’s emergency drought proclamation (“2015 Executive Order”) required mandatory conservation of potable urban water usage by 25% below 2013 levels. 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. The standards 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. 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. In addition to establishing water use efficiency standards, Senate Bill 606 and Assembly Bill 1668 required the development of urban water shortage contingency plans and agricultural drought plans as applicable. The District originally adopted its drought action plan in 2008, but updated the plan in 2021 to include the water shortage contingency plan requirements.

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 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 18, 2022, emergency regulations adopted by the SWRCB became effective (the “2022 Emergency Regulations”) which 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 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 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.

District Drought Response Actions and Impact. The District maintains a Drought Action Plan which the District updates from time-to-time, with the most recent update in 2021. During the drought conditions between 2012-2016, the District declared a drought emergency and implemented certain voluntary and mandatory actions as specified in its Drought Action Plan, intended to achieve water usage reductions. In connection therewith, staff made certain adjustments to its projected water deliveries, projected water sales revenues, projected recycled water revenues and projected hydroelectric revenues. In 2016, the District’s Board of Directors adopted resolutions ending the District’s previously declared drought emergency in light of improved water supply conditions in the District’s water supply reservoirs. On June 22, 2016, based upon the water supply and demand data available to it, the District certified to the SWRCB, pursuant to the 2016 SWRCB Regulation, that the District has sufficient water resources to meet 100% of potable water demand even after an additional three dry years.

As described above, as a result of a return to drought conditions, Governor Newsom issued the October 19 Proclamation which placed all California counties in a state of emergency. In June 2021, the Board adopted Resolution No. 2021-009 which declared a drought emergency and a District-wide Stage 1 Water Alert. Under the District’s Drought Action Plan, the objective of a Stage 1 Water Alert is to initiate public awareness of a possible water shortage in the near future, and to encourage water conservation. Stage 1 Water Alert actions target up to a 15% demand reduction through the implementation of voluntary measures. The District does not mandate any conservation measures in a Stage 1 Water Alert. Along with staff actions centered around customer outreach, water waste prevention, monitoring of demands and District water supplies, the Drought Action Plan identifies the following voluntary measures focused on outdoor irrigation as a way to achieve water savings: (1) apply irrigation water during evening and early morning hours only (7 pm to 10 am); (2) inspect irrigation system for leaks and then repair or replace; and (3) adjust sprinkler run times to avoid runoff.

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 2022A

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 and a resulting decline in Net Water System 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 Water System Revenues.

2021 Caldor Fire Recovery. The Caldor Fire erupted near the town of Grizzly Flats on August 14, 2021. Shortly thereafter, both the El Dorado County Board of Supervisors and Governor Gavin Newsom proclaimed a state of emergency for El Dorado County. On August 23, 2021, the District adopted Resolution No. 2021-012, ratifying the General Manager's emergency declaration and directing the General Manager to take all necessary and appropriate actions in response. On September 1, 2021, President Biden declared a federal state of emergency as a result of the Caldor Fire and on September 12, upgraded that designation to a federal disaster status.

On or about August 26, 2021, the District learned that wooden Flumes 4, 5 and 6 were destroyed by the fire. These flumes are located on the El Dorado Canal in areas where there is little to no road access for construction equipment. Flume 4 is approximately 400 feet in length and was comprised of both an elevated and on grade wooden flume. Flume 5 and Flume 6 downstream, also constructed of wood, are approximately 179 feet and 146 feet in length. Subsequently on September 1, 2021, the District also learned that Flume 30 was also destroyed by the continued expansion of the fire as it advanced its way through the upper South Fork American River watershed and eventually over Echo Summit into the South Lake Tahoe region.

To immediately begin the work to replace Flumes 4, 5 and 6, the General Manager approved a construction contract with Syblon Reid Contractors (SRC) on September 8, 2021. A separate Flume 30 replacement construction contract with SRC was previously authorized but necessitated an acceleration of the construction schedule. The District is replacing these flumes with concrete construction where feasible to provide additional longevity and resilience against future wildfire and slope instability caused by the Caldor Fire. Expedited replacement is underway to bring the El Dorado Canal back to full operation in order to capture winter and spring flow and help refill Jenkinson Lake and resume consumptive deliveries to the Reservoir 1 water treatment plant in 2022. The District has recovered approximately \$11 million through insurance claims and will be requesting reimbursement through FEMA for other eligible costs not recovered through insurance.

The District's preliminary estimate of costs necessary to rebuild all of the infrastructure destroyed by the Caldor Fire is approximately \$32.9 million. To date, the District has recovered approximately \$11 million through insurance claims and expects to recover the majority of remaining costs from insurance. The District has also initiated cost reimbursement through FEMA for other eligible costs not recoverable through insurance.

Future Water Supplies

Storage and Delivery from Sacramento Municipal Utility District Reservoirs. In October 2005, the District, EDCWA, the El Dorado Water and Power Authority ("EDWPA") and other parties (together, the "El Dorado Parties") executed a Cooperation Agreement with Sacramento Municipal Utility District ("SMUD"). Among the Cooperation Agreement's provisions were an entitlement for the El Dorado Parties to store and withdraw up to 30,000 acre-feet per year of water supplies from SMUD's Upper American River Project ("UARP") reservoirs through 2025, and up to 40,000 acre-feet per year thereafter. The El Dorado Parties are also entitled under the Cooperation Agreement to carry over up to 15,000 acre-feet of water supplies from year to year. In 2009, EDWPA, on behalf of its member agencies including the District, filed applications with the State Water Resources Control Board for sufficient water rights to take advantage of these contractual entitlements. In 2010, EDWPA released a Draft Environmental Impact Report for the water rights project. The water rights applications and environmental analysis are still pending, but in 2013, EDWPA began reformulating the newly named El Dorado Water Reliability Project, to include groundwater banking opportunities and other regional project partnerships in the Sacramento Valley. In 2019, EDWPA was dissolved after the withdrawal of both El Dorado County and the El Dorado County Water Agency. The District cannot predict whether or when the El Dorado Water Reliability Project may be approved.

Historic and Projected System Firm Yield

Set forth below is a summary of the District’s firm yield water supply for the last five audited Fiscal Years. Firm yield water supply is that amount which the District expects can be fully delivered in 95% of all years, with shortages of no more than 20% in the remaining years.

**El Dorado Irrigation District
Historic System Firm Yield
In Acre-Feet Per Year**

<i>Fiscal Year Ended December 31</i>	<i>Total</i>
2020	63,500
2019	63,500
2018	63,500
2017	63,500
2016	63,500

Source: The District – Annual Water Supply and Demand Reports.

Set forth below is a projection of the District’s firm yield water supplies for Fiscal Years 2021 (based on unaudited actual results) through 2025. The projected firm yield water supplies exceed projected water deliveries described under the caption “—Projected Raw Water Deliveries.”

**El Dorado Irrigation District
Projected System Firm Yield
In Acre-Feet Per Year**

<i>Fiscal Year Ending December 31</i>	<i>Total</i>
2021	63,500
2022	63,500
2023	63,500
2024	63,500
2025	63,500

Source: The District – Water Supply and Demand Report (formerly Water Resources and Reliability Report).

Historic Water Connections

The following table shows the growth in the number of water connections to the Water System for the last five audited Fiscal Years:

**El Dorado Irrigation District
Historic Water Connections**

<i>Fiscal Year Ended December 31</i>	<i>Connections</i>	<i>Increase/(Decrease)</i>
2020	42,339	1.1%
2019	41,892	1.2
2018	41,396	0.6
2017	41,133	0.4
2016	40,957	2.3

Source: The District – 2020 ACFR, Table 27.

Historic Water Deliveries

The following table presents a summary of historic water deliveries for the Water System in acre-feet per year for the last five audited Fiscal Years:

**El Dorado Irrigation District
Historic Water Deliveries
In Acre-Feet Per Year**

<i>Fiscal Year Ended December 31</i>	<i>Total</i>	<i>Increase/(Decrease)</i>
2020 ⁽¹⁾	36,159	14.4%
2019 ⁽²⁾	31,605	(7.2)
2018 ⁽³⁾	34,069	4.9
2017 ⁽³⁾	32,481	7.8
2016	30,135	8.4

⁽¹⁾ Increase in Fiscal Year 2020 due to increased customer usage associated with dry and warmer weather with the onset of drought conditions.

⁽²⁾ Decrease in Fiscal Year 2019 a result of wet hydrological conditions in April and May of 2019.

⁽³⁾ Increase in Fiscal Years 2017 and 2018 reflects a return to normal water use following mandatory conservation measures required by the 2015 Executive Order. See the caption “—Response to Weather Conditions.”

Source: The District – 2020 ACFR, Table 27.

Historic water deliveries reflect connections to the Water System as well as water demand, which can be affected by weather conditions and other factors. See the caption “—Historic Water Connections” above.

Historic Water Sales Revenues

The following table shows annual water sales revenues from water sales for the last five audited Fiscal Years:

**El Dorado Irrigation District
Historic Water Sales Revenues**

<i>Fiscal Year Ended December 31</i>	<i>Sales Revenues</i>	<i>Increase/(Decrease)</i>
2020 ⁽¹⁾	\$33,895,394	9.6%
2019	30,917,264	0.6
2018	30,726,486	1.2
2017	30,376,487	9.6
2016	27,708,164	9.3

⁽¹⁾ Increase in Fiscal Year 2020 due to increased customer usage associated with dry and warmer weather with the onset of drought conditions.

Source: The District.

Water sales revenues reflect water deliveries as well as rates and charges, which have increased over the five year period described above. See the caption “—Water System Rates and Charges” below.

Water Transfer. As hydrologic conditions permit, the District seeks to maximize the value of its water resources by selling surplus water not needed to meet the District’s customers’ needs to other water agencies seeking to supplement their own supplies. This practice is referred to as water transferring and can be a source of non-rate revenue for the District. For example, in 2015, the District approved a transfer agreement (the “2015 Transfer Agreement”) with Westlands Water District (“Westlands”). Under the 2015 Transfer Agreement, Westlands agreed to pay the District \$700 per acre-foot plus incidental costs for up to 3,100 acre-feet of water delivered to Westlands at Folsom Reservoir, which water would be made available by the District through releasing water otherwise stored in Weber Reservoir and Silver Lake, one of the Project 184 reservoirs. Ultimately, the District transferred 2,110 acre-feet of water to Westlands for total revenues of \$1,849,860.

In 2016, 2017 and 2019, based upon the limited conveyance capacity of the State and federal conveyance facilities in normal and wet water years required to convey District water, the District was not able to transfer water to Westlands or any other entity. In 2018, the District transferred water to State Water Contractors for two of their member agencies (Kern County Water Agency and Dudley Ridge Water District). The contract price was \$350 per acre-foot plus incidental costs. The District ultimately transferred 1,533 acre-feet for total revenues of \$556,550.

In 2020, the District entered into an agreement with Westlands for the transfer of up to 8,000 acre-feet of water to Westlands at a price of \$350 per acre-foot, pursuant to which the District transferred the full 8,000 acre-feet to Westlands during Fiscal Year 2020, resulting in revenues of \$2,830,000.

Westlands has indicated to the District that it desires to purchase additional transfer water whenever there is available conveyance capacity in the State and federal conveyance facilities. The District expects to continue to negotiate with potential buyers for a transfer of water in future years. Because water transfers are speculative and dependent on numerous factors outside the District’s control, the District has not included water transfer revenue into its projections of water sales revenue. See the caption “—Projected Water Sales Revenues” below.

Largest Customers

The following table sets forth the largest customers of the Water System as of the Fiscal Year ended December 31, 2020 (the most recently completed audited Fiscal Year), as determined by annual payments:

**El Dorado Irrigation District
Largest Water Customers**

<i>Customer</i>	<i>Annual Payments</i>
City of Placerville	\$ 520,043
Cameron Park Golf Course	197,215
El Dorado Hills Community Services District	155,517
El Dorado Union High School District	147,111
Buckeye Union School District	121,015
Lennar Homes of California, Inc.	107,639
Rescue Union School District	90,239
Lake Oaks Mobile Home Park	83,713
Lake Forest Apartments LLC	81,652
Red Hawks Casino	70,726
Total	<u>\$ 1,574,868</u>

Source: The District – 2020 ACFR, Table 13.

These largest customers accounted for approximately 4.6% of water sales from the Water System and approximately 1.5% of total District Revenues in Fiscal Year 2020.

Water System Rates and Charges

General. The water rates of the District vary for different classes of customers. The District, by direction of USBR, has implemented an ascending tiered rate structure to encourage water conservation. Each water customer pays a basic monthly charge, which is billed bimonthly, and a commodity charge, based on the quantity of water used, measured in cubic feet (“cf”).

The retail water rates of the District for Fiscal Years 2022 and 2023 applicable to the single family residential customer groups are shown in the following table:

**El Dorado Irrigation District
Retail Water Rates and Charges⁽¹⁾
Fiscal Years 2022 and 2023**

	<i>1/1/2022</i>	<i>1/1/2023</i>
Minimum Bi-Monthly Base Charge (3/4-inch meter)	\$ 66.60	\$ 69.93
Commodity Charge for 0-1,800 cf	0.018964	0.019912
Commodity Charge for 1,801-4,500 cf	0.022889	0.024033
Commodity Charge for 4,501 cf and above	0.026851	0.028194

⁽¹⁾ 1 cf = 1 cubic foot of water.
Source: The District.

Retail water rates and commodity charges vary based on meter size. Other water rates apply for multi-family, commercial/industrial, small farms, ditches, agricultural metered irrigation, recreational turf and wholesale services. However, more than 94% of the District’s customer accounts and more than 55% of its water deliveries are in the single-family residential customer group.

On April 27, 2020 after a notice, public hearing and protest process described under the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218,” the Board of Directors approved Water System rate increases of approximately 5% annually through Fiscal Year 2025, subject to an annual review of the need to implement the rate increases and adjust the percentage of rate

increase downward, if warranted. The Board of Directors has the authority to reduce such rates in the future, subject to the rate covenant with respect to the Water System described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS—Rate Covenants.” The Water System projected operating results under the caption “—Projected Operating Results and Debt Service Coverage” are based on such approved rate increases and assume implementation of the approved rate increases by the Board of Directors in Fiscal Years through 2025. In the event the Board of Directors reduces or eliminates any of such approved rate increases, the District’s projected operating results set forth under the captions “—Projected Operating Results and Debt Service Coverage” and “FINANCIAL INFORMATION OF THE DISTRICT—Projected Operating Results and Debt Service Coverage” may be materially adversely affected.

Facility Capacity Charges. The table below sets forth system-wide facility capacity charges for a 0.75” meter for Fiscal Years 2021 and 2022 for the Water System. Facility capacity charges consist of a one-time connection fee.

**El Dorado Irrigation District
Water System Facility Capacity Charges
Fiscal Years 2021 and 2022**

<i>2021 Rate</i>	<i>2022 Rate⁽¹⁾</i>
\$ 21,793	\$ 23,292

⁽¹⁾ Effective January 1, 2022.
Source: The District.

Water Service Charges. The table below sets forth a comparison of the water rates of the District and charges for a single-family residential user for 30 ccf of consumption to those of nearby water purveyors as of January 1, 2022:

<i>Community</i>	<i>Total Bi-Monthly Bill</i>
Elk Grove Water District	\$179.90
City of Grass Valley	162.15
Placer County Water Agency	157.16
City of Placerville	155.71
Rancho Murieta CSD	160.74
Nevada Irrigation District	159.59
South Tahoe PUD	139.51
<i>El Dorado Irrigation District</i>	<i>122.10</i>
Sacramento Suburban	109.92
City of Folsom	85.40
Citrus Heights Water District	92.94

Source: The District.

Collection Procedures

The District utilizes a bimonthly billing cycle for water, wastewater and recycled water services and sends a consolidated bill every other month to District customers. Payment is due by the 21st day after the billing date, and is considered delinquent if not paid within 5 business days of the due date. When a customer’s account becomes delinquent, the District will send a Past Due Notice by mail and assess a late fee, giving the customer an additional 10 days to make payment in full or if authorized, establish a payment plan. If the District does not receive payment or the customer does not establish a payment arrangement within the 10 days, the District will send a Second Past Due Notice to the customer by mail and assess an additional late fee. Accounts that remain delinquent may receive additional notifications via phone in an attempt to collect payment or

establish a payment plan. Account balances that remain unpaid for 120 days are subject to a lien being recorded against the property and may be collected through the property taxes on an annual basis.

In response to the COVID-19 pandemic described under the caption “INVESTMENT CONSIDERATIONS—Coronavirus,” on April 2, 2020, Governor Newsom signed an executive order, which among other things, suspends 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.

When the Governor’s executive order with respect to the suspension of water service for non-payment was in effect, delinquency rates were not materially higher in Fiscal Year 2021 compared to Fiscal Year 2020. The District can make no assurances that delinquency rates will not increase further as a result of the economic impact of the COVID-19 outbreak.

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

The District estimates total capital improvements to the Water System, including FERC-mandated projects and improvements to the hydroelectric system, for existing users of approximately \$113,956,800 over the next five years. The District estimates capital improvements to the Water System, including FERC mandated projects and improvements to the hydroelectric system, to accommodate future growth of approximately \$51,145,300 over the next five years. The District expects to finance approximately \$100,000,000 of such capital improvements and to fund the remaining balance by facility capacity charges, grants and Water System Revenues. The District expects to obtain all environmental and other permits and approvals necessary for such capital improvements in a timely manner to permit expenditures on the referenced capital improvements.

Projected Potable Water Connections

The following table shows the projected increase in the number of potable water connections to the Water System projected by the District for Fiscal Year 2021 (based on unaudited actual results) through Fiscal Year 2025:

**El Dorado Irrigation District
Projected Potable Water Connections⁽¹⁾**

<i>Fiscal Year Ending December 31</i>	<i>Connections</i>	<i>Increase/(Decrease)</i>
2021	42,957	1.5%
2022	43,386	1.0
2023	43,820	1.0
2024	44,258	1.0
2025	44,700	1.0

⁽¹⁾ The number of projected water connections is estimated from El Dorado County growth rate estimate of 1.0%. Source: The District.

The number of connections to the Water System will be affected by the pace of development activity within the portions of the District served by the Water System. See the caption “THE EL DORADO IRRIGATION DISTRICT—Certain Factors Affecting Growth” above and “INVESTMENT CONSIDERATIONS—COVID-19 Pandemic.”

Projected Raw Water Deliveries

The District currently estimates that raw water deliveries for Fiscal Year 2021 through Fiscal Year 2025 will be as follows:

**El Dorado Irrigation District
Projected Raw Water Deliveries
In Acre-Feet Per Year**

<i>Fiscal Year Ending December 31</i>	<i>Total</i>	<i>Increase/(Decrease)</i>
2021	37,774	4.5%
2022	38,152	1.0
2023	38,534	1.0
2024	38,919	1.0
2025	39,308	1.0

Source: The District.

Water deliveries for 2021 are based on the draft 2021 Water Diversion Report, and subsequent years projected demand using the growth rate from the potable water connections table above. Actual water deliveries will be highly variable from year-to-year based on weather, climate and other factors. See the caption “—Response to Weather Conditions.”

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 deliveries described under the caption “—Projected Raw Water Deliveries” and rates described under the caption, “—Water System Rates and Charges”:

**El Dorado Irrigation District
Projected Water Sales Revenues**

<i>Fiscal Year Ending December 31</i>	<i>Sales Revenues⁽¹⁾</i>	<i>Increase/(Decrease)</i>
2021	\$38,009,083	12.1%
2022	38,500,000	1.3
2023	40,586,700	5.4
2024	42,786,499	5.4
2025	45,105,527	5.4

⁽¹⁾ Increase reflects previously approved rate increases as described under the caption “—Water System Rates and Charges—General.”

Source: The District.

Hydroelectric Revenues

Since 2010, the District sold power to PG&E under a long-term power purchase agreement for Project 184 power generation revenues. The 10-year contract term expired on May 15, 2021. Therefore on April 29, 2021, the District entered into a new 10-year power sales agreement with Pioneer Community Energy. Annual revenues are expected to fluctuate according to hydrology, generation patterns, and drinking water needs. Based on the current power market conditions, past Project 184 operations, and Project 184 license conditions, the District expects hydroelectric revenues under the new long-term power purchase agreement with Pioneer Community Energy to average approximately \$3,500,000-\$5,000,000 per year. See the caption “—Projected Operating Results and Debt Service Coverage.” There can be no assurances as to the actual amounts received and the amounts received in any Fiscal Year may vary and such variation may be material. See the caption “—Historic Operating Results and Debt Service Coverage” for recent hydroelectric revenues which have varied from a low of \$2,393,000 in 2021 (due in part to the early and extended outage caused by the Caldor fire), to a high of \$11,390,167 in 2017.

Historic Operating Results and Debt Service Coverage

The following tables are summaries of operating results of the Water System of the District, for the last five audited Fiscal Years. Beginning in fiscal year 2017, the District revised the presentation of its historic operating results to conform to similar revisions made in its audited financial statements. Such revised presentation is shown below for Fiscal Years 2017 through 2020. These results have been derived from the Financial Statements of the District but exclude certain receipts which are not included as Revenues under the Indenture and certain non-cash items and include certain other adjustments as required or permitted by the Indenture.

**El Dorado Irrigation District
Water System
Historic Operating Results
Fiscal Year Ended December 31 2016**

<i>2016</i>	
Revenues	
Water Sales	\$ 27,708,164
Facility Capacity Charges	6,627,223
1% Property Tax Revenue ⁽¹⁾	6,740,385
Water Service	814,778
Surcharges ⁽¹⁾	1,417,526
Investment Income ⁽¹⁾	491,752
Recreation Fees	1,532,912
Hydroelectric Revenues	6,296,331
Other Income ⁽¹⁾	<u>2,069,293</u>
Total Revenues	\$ 53,698,364
 Operation and Maintenance Costs⁽¹⁾	
Communications	\$ 209,906
Human Resources	1,498,677
Information Technology	1,354,282
Engineering	1,933,389
Water Operations	11,305,353
Finance	4,594,042
Hydroelectric	3,944,557
Office of the General Manager	1,625,969
Recreation Facilities	1,358,062
Other Expenses ⁽²⁾	<u>1,198,919</u>
Total Operation and Maintenance Costs	\$ 29,023,156
 Net Revenues	
	\$ 24,675,208
 Pre-existing Obligations	
Existing State Loans	<u>\$ 1,079,317</u>
Total Pre-existing Obligations	\$ 1,079,317
 Net Revenues Available for Senior Debt Service Coverage	
	\$ 23,595,891
 Senior Debt Service⁽³⁾	
2004A Installment Purchase Agreement	--
2008A Installment Purchase Agreement	\$ 171,360
2009A Installment Purchase Agreement	2,126,980
2010A Installment Purchase Agreement ⁽⁴⁾	446,530
2012A Bonds	1,306,950
2012B Bonds	126,473
2014A Bonds ⁽⁵⁾	3,576,443
2016A Bonds	41,344
2016B Installment Purchase Agreement	176,335
2016C Bonds	--
Additional State Loans	<u>373,310</u>
Total Senior Debt Service	\$ 8,345,725
 Senior Debt Service Coverage	
	2.83
 Net Revenues Available for Capital Projects or Other Purposes	
	\$ 15,250,166

⁽¹⁾ Reflects the share allocated to the Water System.

⁽²⁾ Includes fees payable with respect to the credit facility in place from time-to-time relating to the 2008 Certificates. In 2016, the District refunded the outstanding 2008 Certificates with a portion of the proceeds of the 2016C Bonds.

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- (3) Debt service payments allocated to the Water System.
 - (4) As discussed below under the caption “—Projected Operating Results and Debt Service Coverage,” the District prepaid, from District reserves, the outstanding amount under the 2010A Installment Purchase Agreement on March 1, 2019.
 - (5) Reflects prepayment in 2015 of principal and interest due on March 1, 2016. See the caption “—Management Discussion With Respect to Fiscal Years 2015 through 2020” below.
- Source: The District.

**El Dorado Irrigation District
Water System
Historic Operating Results
Fiscal Years Ended December 31 2017 through 2020**

	2020	2019	2018	2017
Revenues				
Water Sales	\$ 33,895,394	\$ 30,917,264	\$ 30,726,486	\$ 30,376,487
Facility Capacity Charges	4,717,406	7,751,824	11,459,428	7,948,633
1% Property Tax Revenue ⁽¹⁾⁽²⁾	10,470,484	7,886,930	7,629,367	7,137,252
Water Service	3,475,275	730,601	1,265,974	506,637
Surcharges ⁽¹⁾	1,333,574	1,356,609	1,508,995	1,367,022
Investment Income ⁽¹⁾⁽³⁾	950,674	1,633,289	1,804,753	875,668
Recreation Fees	1,799,869	1,774,235	1,720,429	1,597,877
Hydroelectric Revenues ⁽⁴⁾	7,156,800	9,679,827	5,953,290	11,390,167
Other Income ⁽¹⁾⁽⁵⁾	3,394,799	4,158,482	1,564,708	5,705,226
Total Revenues	<u>\$ 67,194,275</u>	<u>\$ 65,889,061</u>	<u>\$ 63,633,430</u>	<u>\$ 66,904,969</u>
Operation and Maintenance Costs⁽¹⁾				
Personnel Expenses ⁽⁶⁾	\$ 21,592,718	\$ 19,150,863	\$ 19,392,743	\$ 17,695,757
Operating Supplies	3,016,747	3,185,353	2,635,940	2,351,519
Chemicals	533,589	466,963	420,559	454,437
Administration	3,240,402	2,867,045	2,936,184	2,563,774
Utilities	2,925,488	2,514,253	2,450,264	2,369,680
Professional Services	3,220,343	3,270,909	2,799,879	2,497,966
Repair Services	1,675,093	1,764,105	1,077,025	1,197,626
Insurance	561,446	630,219	494,432	492,404
Other Expenses ⁽⁷⁾	239,971	1,736,552	334,739	157,459
Total Operation and Maintenance Costs	<u>\$ 37,005,797</u>	<u>\$ 35,586,262</u>	<u>\$ 32,541,765</u>	<u>\$ 29,780,622</u>
Net Revenues	\$ 30,188,478	\$ 30,302,799	\$ 31,091,665	\$ 37,124,347
Pre-existing Obligations				
Existing State Loans	\$ 539,658	\$ 1,079,317	\$ 1,079,317	\$ 1,079,317
Total Pre-existing Obligations	<u>\$ 539,658</u>	<u>\$ 1,079,317</u>	<u>\$ 1,079,317</u>	<u>\$ 1,079,317</u>
Net Revenues Available for Senior Debt Service Coverage	\$ 29,648,820	\$ 29,223,482	\$ 30,012,348	\$ 36,045,030
Senior Debt Service⁽⁸⁾				
2009A Installment Purchase Agreement	--	\$ 1,876,917	\$ 1,876,133	\$ 1,875,461
2010A Installment Purchase Agreement ⁽⁹⁾	--	446,530	446,530	446,530
2012A Bonds ⁽¹⁰⁾	\$ 2,428,619	2,614,050	2,619,692	2,620,205
2012B Bonds	127,205	128,356	126,208	126,516
2014 Bonds ⁽¹¹⁾	2,282,800	3,574,127	3,576,471	3,582,180
2016A Bonds	2,196,208	451,024	451,024	451,024
2016B Installment Purchase Agreement	1,923,650	1,923,650	1,923,650	1,923,650
2016C Bonds	2,290,219	2,442,480	2,442,480	2,205,017
2020A Installment Purchase Agreement	508,753	--	--	--
2020B Bonds	52,889	--	--	--
2020C Bonds	1,268,534	--	--	--
2020D Bonds	--	--	--	--
Additional State Loans	186,656	373,310	373,310	373,310
Total Senior Debt Service	<u>\$ 13,265,534</u>	<u>\$ 13,830,444</u>	<u>\$ 13,835,498</u>	<u>\$ 13,603,893</u>
Senior Debt Service Coverage	2.24	2.11	2.17	2.65
Net Revenues Available for Capital Projects or Other Purposes	\$ 16,383,286	\$ 15,393,038	\$ 16,176,850	\$ 22,441,137

⁽¹⁾ Reflects the share allocated to the Water System.

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- (2) Increase in 2020 is attributable in part to Board approved allocation of tax revenue between the Water and Wastewater Systems to reflect 75% (from 60%) to the Water System and 25% (from 40%) to the Wastewater System.
- (3) Excludes unrealized gains and losses on investments.
- (4) Increase in Fiscal Year 2017 a result of power production and insurance reimbursement for lost power production revenues for 2017 storm damage to water canal system.
- (5) Excludes the Water System's share of the \$2.9 million non-cash write-off of expected reimbursements from FEMA that was recognized and accrued as revenues in 2017 in accordance with Generally Accepted Accounting Principles. Were the District to not have recognized the FEMA revenue in Fiscal Year 2017, senior debt service coverage in Fiscal Year 2017 would have been 2.45. Fiscal Year 2019 revenue increase related to FEMA grant revenue recovery from a 2017 storm event.
- (6) Excludes non-cash accrual of benefits related to pension and post-employment benefits.
- (7) Impact from Fiscal Year 2018 to Fiscal Year 2019 related to additional costs incurred by the District in response to several public safety power shutoff events initiated by PG&E.
- (8) Debt service payments allocated to the Water System.
- (9) As discussed below under the caption "—Management Discussion With Respect to Fiscal Years 2017 through 2021," the District prepaid, from District reserves, the outstanding amount under the 2010A Installment Purchase Agreement on March 1, 2019.
- (10) Reflects prepayments in 2016, 2017, 2018 and 2019 of principal and interest due on the next succeeding March 1, respectively (57.4% of this prepayment was allocated to the Water System and 42.6% was allocated to the Wastewater System). See the caption "—Management Discussion With Respect to Fiscal Years 2015 through 2020" below.
- (11) Reflects prepayments in 2016, 2017, 2018 and 2019 of principal and interest due on the next succeeding March 1, respectively (55.2% of this prepayment was allocated to the Water System and 44.8% was allocated to the Wastewater System). See the caption "—Management Discussion With Respect to Fiscal Years 2015 through 2020" below.

Source: The District.

Management Discussion With Respect To Fiscal Years 2015 through 2020

In Fiscal Years 2016 through 2019 the District prepaid \$2,998,800, \$2,997,369, \$2,995,925 and \$2,999,588 in principal and interest, respectively, of the 2012A Bonds due on the succeeding March 1, from District reserves. In Fiscal Years 2016 through 2019, approximately 57.4% of such prepayments were allocable to the Water System in each of such Fiscal Years.

In Fiscal Years 2015 through 2019 the District prepaid \$2,998,800, \$2,998,800, \$2,998,125, \$2,998,125 and \$2,998,125 in principal and interest, respectively, of the 2014A Bonds due on the succeeding March 1, from District reserves. In Fiscal Years 2015 through 2019, approximately 55.2% of such prepayments were allocable to the Water System in each of such Fiscal Years.

In addition, on March 1, 2019, the District prepaid, from District reserves, the outstanding \$14,755,000 principal amount under the 2010A Installment Purchase Agreement, at a prepayment price equal to such principal amount, plus interest with respect thereto to the prepayment date, without premium.

Without the foregoing prepayments, with respect to the Water System, the District's senior debt service coverage would have been 2.36 in 2016, 2.12 in Fiscal Year 2017, 1.74 in Fiscal Year 2018, 1.70 in Fiscal Year 2019 and 1.76 in Fiscal Year 2020.

Projected Operating Results and Debt Service Coverage

The District's projected operating results for the Water System of the District for Fiscal Year 2021 (based on unaudited actual results) through Fiscal Year 2025 are set forth below, reflecting certain significant assumptions concerning future events and circumstances. The financial forecast represents the District's projection of financial results based on a variety of assumptions, including the assumptions set forth in the footnotes to the chart set forth below. All of 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.

In Fiscal Years 2020 and 2021, the District prepaid \$5,999,106 and \$2,996,030 in principal and interest, respectively, of the 2020C Bonds due on the succeeding March 1, from District reserves. In Fiscal Years 2020

and 2021, approximately 56.2% of such prepayments were allocable to the Water System in each of such Fiscal Years.

In Fiscal Year 2021, the District prepaid \$2,998,125 in principal and interest of the 2016A Bonds due on the succeeding March 1, from District reserves. In Fiscal Year 2021, approximately 56.0% of such prepayments were allocable to the Water System.

Without the foregoing prepayments, with respect to the Water System, the District's senior debt service coverage would have been 1.99 in Fiscal Year 2021 (based on unaudited actual results) and would have been projected to be 2.23 in Fiscal Year 2022.

The District anticipates prepaying, from District reserves, approximately \$3,162,000 in principal amount of the 2020C Bonds in each of Fiscal Years 2022 through 2025. Approximately 56.2% of such amounts is expected to be allocated to the Water System in each of such Fiscal Years. As a result of such prepayments, with respect to the Water System, the District projects achieving 2.62 times senior debt service coverage in Fiscal Year 2023, 2.75 in Fiscal Year 2024 and 1.92 in Fiscal Year 2025. No assurances can be made that such prepayments will be made and if such prepayments are made, that such debt service coverage levels will be achieved. The table below does not take in account the effect of such projected prepayments.

**El Dorado Irrigation District
Water System
Projected Operating Results
Fiscal Year Ended December 31**

	<i>2021⁽¹⁴⁾</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>
Revenues					
Water Sales ⁽¹⁾	\$ 38,009,083	\$ 38,500,000	\$ 40,586,700	\$ 42,786,499	\$ 45,105,527
Facility Capacity Charges ⁽²⁾	9,609,473	7,300,000	5,900,000	5,900,000	5,900,000
1% Property Tax Revenue ⁽³⁾	10,894,701	11,112,595	11,334,847	11,561,544	11,792,775
Surcharges ⁽⁴⁾	1,364,695	840,487	840,487	840,487	840,487
Investment Income ⁽⁵⁾	407,693	450,000	450,000	450,000	450,000
Recreation Fees ⁽⁶⁾	1,526,205	1,527,752	1,558,307	1,589,474	1,621,263
Hydroelectric Revenues ⁽⁷⁾	3,789,003	3,500,000	3,500,000	3,500,000	3,500,000
Other Income ⁽⁸⁾	<u>7,373,217</u>	<u>7,874,217</u>	<u>1,022,314</u>	<u>780,423</u>	<u>783,545</u>
Total Revenues	\$ 72,974,070	\$ 71,105,051	\$ 65,192,655	\$ 67,408,427	\$ 69,993,597
Operation and Maintenance Costs⁽⁹⁾					
Personnel Expenses	\$ 22,210,916	\$ 21,851,033	\$ 17,914,922	\$ 18,334,299	\$ 19,382,955
Operating Supplies	3,019,961	3,062,895	3,154,782	3,249,425	3,314,414
Chemicals	486,231	607,934	626,172	644,957	657,856
Administration	3,722,486	3,376,273	3,477,561	3,581,888	3,653,526
Utilities	3,106,925	2,580,169	2,657,574	2,737,301	2,792,047
Professional Services	3,113,830	3,389,063	3,490,735	3,595,457	3,667,366
Repair Services	2,322,565	2,781,787	2,865,241	2,951,198	3,010,222
Insurance	649,691	753,708	776,319	799,609	815,601
Other Expenses	<u>296,554</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operation and Maintenance Costs	\$ 38,929,159	\$ 38,402,862	\$ 34,963,306	\$ 35,894,134	\$ 37,293,987
Net Revenues	\$ 34,044,911	\$ 32,702,189	\$ 30,229,349	\$ 31,514,293	\$ 32,699,610
Senior Debt Service⁽¹⁰⁾					
2014A Bonds	\$ 281,288	\$ 466,419	\$ 461,593	\$ 464,985	\$ 2,473,581
2016A Bonds ⁽¹¹⁾	2,193,576	515,970	2,193,590	2,195,550	0
2016B Certificates	2,545,950	2,444,250	2,494,250	2,491,500	8,088,625
2016C Bonds	615,351	615,351	615,351	615,351	615,351
2020A Installment Purchase Agreement	2,693,400	2,693,400	2,693,400	2,693,400	2,844,525
2020B Bonds	938,125	958,000	955,625	873,500	876,500
2020C Bonds ⁽¹²⁾	2,744,285	1,841,006	3,525,543	3,524,877	3,525,302
2020D Bonds	<u>1,747,290</u>	<u>1,747,359</u>	<u>1,745,611</u>	<u>1,745,586</u>	<u>1,747,204</u>
Total Senior Debt Service	\$ 13,759,265	\$ 11,281,756	\$ 14,684,963	\$ 14,604,749	\$ 20,171,089
Senior Debt Service Coverage	2.47	2.90	2.06	2.16	1.62
Net Revenues Available for Subordinate Debt Service Coverage	\$ 20,285,646	\$ 21,420,433	\$ 15,544,386	\$ 16,909,544	\$ 12,528,521
Subordinate Debt Service⁽¹⁰⁾					
2022A Bonds ⁽¹³⁾	\$ 0	\$ 0	\$ 3,830,267	\$ 4,043,196	\$ 3,555,375
Total Subordinate Debt Service	\$ 0	\$ 0	\$ 3,830,267	\$ 4,043,196	\$ 3,555,375
Subordinate Debt Service Coverage	NA	NA	4.06	4.18	3.52
All-in Debt Service Coverage	2.47	2.90	1.63	1.69	1.38
Net Revenues Available for Capital Projects or Other Purposes	\$ 20,285,646	\$ 21,420,433	\$ 11,714,119	\$ 12,866,348	\$ 8,973,146

(1) Based on projected water sales described under the caption “—Projected Water Sales Revenues” and projected increases in retail water rates and charges described under the caption “—Water System Rates and Charges.” Includes water sales to City of Placerville at wholesale rates. See the caption “EL DORADO IRRIGATION DISTRICT—Service Area.”

(Footnotes continued on following page)

(Footnotes continued from previous page)

- (2) Represents facility capacity charges projected to be collected from operation of the Water System. Fiscal Year 2021 amounts are based on unaudited results. For Fiscal Year 2022 through Fiscal Year 2025 projections are estimated by the District using the projected number of water connections is derived from engineering estimates contained within the District's 2013 Water Resources Master Plan – Table 9-2, which are used for projecting timing and sizing of water facility additions. The 2013 Water Resources Master Plan information was derived by engineering consultants using, in part, County of El Dorado Economic Development growth projections.
 - (3) Represents the projected share allocated to the Water System. Property taxes collected are allocated between the Water and Wastewater Systems at the District's discretion. See the caption "EL DORADO IRRIGATION DISTRICT—1% Property Tax Revenues."
 - (4) Represents surcharges projected to be collected from operation of the Water System. Revenues for Fiscal Year 2022 are projected to decrease as a result of "Line and Cover Surcharge #2" sunseting.
 - (5) Projected at 1 % to 2% per annum on projected Water System reserves.
 - (6) Based on District projections.
 - (7) Fiscal Year 2022 through 2025 based on estimated amounts to be received under a new long-term power purchase agreement. See the caption "—Hydroelectric Revenues."
 - (8) Fiscal Year 2022 budgeted amount increased by \$7,000,000 resulting from federal grant funds for the Folsom Lake Intake Pump Station.
 - (9) Decrease in Fiscal Year 2021 due to increase in capitalized personnel costs related to construction projects (based on unaudited actual results). Projected decrease in Fiscal Year 2023 due to projected effect of prepaying the District's Unfunded Liability through the issuance of the 2022A Bonds.
 - (10) Debt Service allocated to the Water System.
 - (11) Fiscal Year 2022 amount reflects prepayment from District reserves of principal of and interest on the 2016A Bonds due on March 1, 2022 in the amount of \$2,998,125 (56.0% of this prepayment was allocated to the Water System and 44.0% was allocated to the Wastewater System).
 - (12) Fiscal Year 2021 and 2022 amounts reflect prepayment from District reserves of principal of and interest on the 2020C Bonds due on March 1, 2020 in the amounts of \$5,999,106 and \$2,996,030, respectively (56.2% of this prepayment was allocated to the Water System and 43.8% was allocated to the Wastewater System).
 - (13) Reflects projected debt service on the 2022A Bonds based on a preliminary principal amount of \$47,526,600 allocated to the Water System and true interest cost of 3.99%.
 - (14) Based on unaudited actual results. See the caption "EL DORADO IRRIGATION DISTRICT—Budget Process."
- Source: The District.

THE WASTEWATER SYSTEM OF THE DISTRICT

The Wastewater System

The District provides wastewater collection and disposal service to approximately 54% of its total Water System customer base. The remaining Water System customers have no public wastewater collection and disposal service, except for the City of Placerville which operates its own wastewater collection, treatment and disposal system. Collection is primarily via gravity pipelines with 60 lift stations pumping sewage under pressure through “force mains” until the nearest gravity line can be reached. There are approximately 456 miles of collection pipelines transporting sewage to wastewater treatment plants in Cameron Park (serving Cameron Park, Diamond Springs, El Dorado, west Placerville, and the Mother Lode area) and El Dorado Hills, or to one of the smaller facilities located at Camino or Gold Ridge Forest.

Water reclamation facilities at the Deer Creek and El Dorado Hills Wastewater Treatment Plants and associated distribution and storage facilities enable recycled water to be used by residences in the Serrano, Creekside Greens, Four Seasons, and Blackstone for residential landscape irrigation, by the Serrano golf course for irrigation and ponds and by community landscape areas. The District currently serves approximately 3,500 acre-feet annually through its recycled water system to approximately 5,557 accounts. The Integrated Water Resources Master Plan (“IWRMP”) and Wastewater Facilities Master Plan (“WWFMP”) of the District have identified a number of potential users, who are mandated by District policy to utilize this source to the maximum extent feasible.

The Deer Creek Wastewater Treatment Plant is an activated sludge, tertiary-level wastewater treatment plant. The District constructed the plant in 1975 to serve the community of Cameron Park. The District subsequently expanded the plant to 3.6 mgd average dry weather flow (“ADWF”) permitted treatment capacity by projects completed in 1996 and 2004. In 1994, the District installed additional tertiary recycled facilities funded by, and now ultimately serving recycled water to lands of, Parker Development Company. In 2003 and 2004, the District upgraded the plant to meet anticipated capacity needs and requirements in the District’s latest wastewater discharge permit.

The Central Valley Regional Water Quality (Regional Board) administers and enforces all federal and State discharge requirements by issuing a discharge permit under the National Pollutant Discharge Elimination System. The Deer Creek Wastewater Treatment Plant’s present discharge permit is covered under the Regional Board Municipal General Order (Waste Discharge Order No. R5-2017-0085, NPDES No CAG585001, enrollee number R5-2017-0085-002) and was adopted by the Regional Board on August 11, 2017. The Municipal General Order expires on November 30, 2022. The District will be submitting a Notice of Intent (NOI) by June 3, 2022 for continued coverage under the renewed Municipal General Order. It is anticipated that the renewed Order will expire in 2027.

The El Dorado Hills Wastewater Treatment Plant is a tertiary treatment facility originally constructed in 1961. The District upgraded the plant to 1.6 mgd ADWF capacity via assessment district financing in 1985. The District expanded the plant to a permitted capacity of 3.0 mgd ADWF in 1997/1998 and 4.0 ADWF in 2010. The plant currently provides recycled water to customers in El Dorado Hills and the recycled water distribution system is connected to the Deer Creek Wastewater Treatment Plant recycled water distribution system. The plant utilizes a 62 million gallon on-site storage reservoir to store secondary effluent to be later treated to recycled water standards and utilized for recycled water use in the summer months.

The El Dorado Hills Wastewater Treatment Plant’s present discharge permit is covered under the Regional Board Municipal General Order (Waste Discharge Order No. R5-2017-0085, NPDES No CAG585001, enrollee number R5-2017-0085-002) and was adopted by the Regional Board on August 11, 2017. The Municipal General Order expires on November 30, 2022. The District will be submitting a Notice of Intent (NOI) by June 3, 2022 for continued coverage under the renewed Municipal General Order. It is anticipated that the renewed General Order will expire in 2027.

Historic Wastewater Connections

The following table shows the growth in the number of wastewater connections to the Wastewater System for the last five audited Fiscal Years:

El Dorado Irrigation District Historic Wastewater Connections

<i>Fiscal Year Ended December 31</i>	<i>Connections</i>	<i>Increase/(Decrease)</i>
2020	24,023	1.6%
2019	23,652	2.0
2018	23,191	1.3
2017	22,896	3.9
2016	22,041	1.9

Source: The District – 2020 ACFR, Table 30.

Historic Wastewater System Usage

The following table summarizes the volume of wastewater treated for the last five audited Fiscal Years:

El Dorado Irrigation District Historic Wastewater System Usage

<i>Fiscal Year Ended December 31</i>	<i>Daily Average Flow (mgd)</i>	<i>Increase/(Decrease)</i>
2020	4.7	2.2
2019	4.6	2.2%
2018	4.5	2.3
2017	4.4	10.0
2016	4.0	8.4

Source: The District – 2020 ACFR, Table 30.

Wastewater System usage is affected by a number of factors, including but not limited to the number of connections to the Wastewater System and water usage of customers connected to the Wastewater System.

Historic Wastewater Service Charge Revenues

The following table shows annual wastewater service charge revenues of the Wastewater System for the last five audited Fiscal Years:

El Dorado Irrigation District Historic Wastewater Service Charge Revenues

<i>Fiscal Year Ended</i> <i>December 31</i>	<i>Service Charge Revenues</i>	<i>Increase/(Decrease)</i>
2020	\$22,443,036	0.9%
2019	22,235,351	4.7
2018	21,636,703	4.8
2017	20,645,291	5.8
2016 ⁽¹⁾	19,504,473	(1.7)

⁽¹⁾ Service charge revenues for Fiscal Year 2016 reflect the effects of mandatory conservation measures required by the 2015 Executive Order. See the caption “—Response to Weather Conditions.”

Source: The District.

A number of factors affect Wastewater service revenues, including water consumption by Wastewater System customers, the number of connections to the Wastewater System and Wastewater System rates and charges. See the captions “—Historic Wastewater Connections” and “—Wastewater System Rates and Charges.”

Largest Customers

The following table sets forth the ten largest customers of the Wastewater System as of the Fiscal Year ending December 31, 2020 (the most recently completed audited Fiscal Year), as determined by annual payments:

El Dorado Irrigation District Ten Largest Wastewater Customers

<i>Customer</i>	<i>Annual Payments</i>
Lake Oaks Mobile Home Park	\$ 142,460
Vineyards At Valley View	134,399
Sycamore Cameron Park LLC	126,713
RU ITW Sky Park LLC	110,757
Wong Family Investors	101,638
Cameron Park Senior Living A CA LLC	96,827
Lake Forest Apts, LLC	93,080
Mercy Housing Calif XXII LP	78,798
Nugget Market LLC	75,626
Cimmatton/Cambridge LP	69,750
Total	<u>\$ 1,030,048</u>

Source: The District – 2020 ACFR, Table 14.

These ten largest customers accounted for approximately 4.6% of wastewater service charges from the Wastewater System and 1.0% of total District Revenues in Fiscal Year 2020.

Wastewater System Rates and Charges

General. Wastewater rates consist of base flat charges and volumetric charges. The District bills residential customers a basic monthly charge on a bimonthly basis which consists of a base charge and a volumetric charge based on winter average water use. Commercial customers are billed a basic flat charge and a commodity charge per hundred cubic feet of metered water, depending on the type of business. Commercial customers without water service are billed a different basic charge and an additional unit charge.

On April 27, 2020 after a notice, public hearing and protest process described under the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218,” the Board of Directors approved no Wastewater System rate increases for 2021 and 2022 and increases of approximately 1-3% annually from 2023 through Fiscal Year 2025, subject to an annual review of the need to implement the rate increases and adjust the percentage of rate increase downward, if warranted. The Board of Directors has the authority to reduce such rates in the future, subject to the rate covenant with respect to the Wastewater System described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS—Rate Covenants.” The Wastewater System projected operating results under the caption “—Projected Operating Results and Debt Service Coverage” assume implementation of a 1% rate increase in Fiscal Year 2023. In the event the Board of Directors reduces or eliminates any of such approved rate increases, the District’s projected operating results set forth under the captions “—Projected Operating Results and Debt Service Coverage” and “FINANCIAL INFORMATION OF THE DISTRICT—Projected Operating Results and Debt Service Coverage” may be materially adversely affected.

A summary of the wastewater charges of the District for Fiscal Years 2022 and 2023 is shown in the following table:

El Dorado Irrigation District		
Wastewater Rates		
Fiscal Years 2022 and 2023		
	<u>1/1/2022</u>	<u>1/1/2023</u>
<i>Base Charge Wastewater</i>		
Residential Flat Rate District Average	\$ 133.98	\$ 135.32
Single Family Residential	68.89	69.58
Multifamily Residential (per unit)	31.00	31.31
Commercial (all categories)	69.76	70.46
Commercial without water service (per unit)	125.87	127.13
Schools, per student and staff (billed annually)	12.96	13.09
<i>Commodity Charge Wastewater (per cf)</i>		
Single Family Residential	\$ 0.040684	\$ 0.041091
Multifamily Residential	0.031995	0.032315
Commercial – Low	0.048790	0.049278
Commercial – Medium/Low	0.071851	0.072570
Commercial – Medium	0.105179	0.106231
Commercial – Medium/High	0.165536	0.167191
Commercial – High	0.360608	0.364214

Source: The District.

Facility Capacity Charges. The table below sets forth facility capacity charges for a 0.75” meter for Fiscal Years 2021 and 2022 for the Wastewater System in various areas of the District. Facility capacity charges consist of a one-time connection fee.

**El Dorado Irrigation District
Wastewater System Facility Capacity Charges
Fiscal Years 2021 and 2022**

<i>2021 Rate</i>	<i>2022 Rate⁽¹⁾</i>
\$ 15,368	\$16,552

⁽¹⁾ Effective January 1, 2022.
Source: The District.

Wastewater Service Charges. The table below sets forth a comparison of the average bi-monthly wastewater billings of the District for a single family residential user to those of similar wastewater purveyors as of January 1, 2022. The average billing of the District assumes a 16 ccf (199 gpd) winter water use.

<i>Community</i>	<i>Bi-Monthly Bill</i>
City of Placerville	\$256.28
City of Colfax	266.10
Placer County SMD No. 1	191.56
City of Auburn	157.24
<i>El Dorado Irrigation District</i>	<i>133.98</i>
City of Grass Valley	110.00
City of Folsom	115.02
South Tahoe PUD	118.56
Rancho Murieta	99.06

Source: The District.

Collection Procedures

The District utilizes a bimonthly billing cycle for water, wastewater and recycled water services and sends a consolidated bill every other month to District customers. Payment is due by the 21st day after the billing date, and is considered delinquent if not paid within 5 business days of the due date. When a customer’s account becomes delinquent, the District will send a Past Due Notice by mail and assess a late fee, giving the customer an additional 10 days to make payment in full or if authorized, establish a payment plan. If the District does not receive payment or the customer does not establish a payment arrangement within the 10 days, the District will send a Second Past Due Notice to the customer by mail and assess an additional late fee. Accounts that remain delinquent may receive additional notifications via phone in an attempt to collect payment or establish a payment plan. Account balances that remain unpaid for 120 days are subject to a lien being recorded against the property and may be collected through the property taxes on an annual basis.

In response to the COVID-19 pandemic described under the caption “INVESTMENT CONSIDERATIONS—Coronavirus,” on April 2, 2020, Governor Newsom signed an executive order, which among other things, suspends 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 includes the charges for water, wastewater and recycled water services (as applicable) on the same bills sent to customers. As a result, in addition to water service, the District did not suspend wastewater service and recycled water service for non-payment. The District also temporarily suspended collection activities and late fees and penalties.

When the Governor’s executive order with respect to the suspension of water service for non-payment was in effect, delinquency rates were not materially higher in Fiscal Year 2021 compared to Fiscal Year 2020.

The District can make no assurances that delinquency rates will not increase further as a result of the economic impact of the COVID-19 outbreak.

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 Wastewater System Improvements

The District estimates total capital improvements to the Wastewater System for existing users of approximately \$7,149,700 over the next five years. The District estimates capital improvements to the Wastewater System to accommodate future growth of approximately \$38,270,000 over the next five years. The District does not expect to need debt financing in the next five years to fund wastewater projects and plans to fund the projects by facility capacity charges, grants and Wastewater System Revenues. The District expects to obtain all environmental and other permits and approvals necessary for such capital improvements in a timely manner to permit expenditures on the referenced capital improvements.

Projected Wastewater Connections

The following table shows the increase in the number of wastewater connections to the Wastewater System projected by the District for Fiscal Year 2021 (based on unaudited actual results) through Fiscal Year 2025:

**El Dorado Irrigation District
Projected Wastewater Connections⁽¹⁾**

<i>Fiscal Year Ending December 31</i>	<i>Connections</i>	<i>Increase/(Decrease)</i>
2021	24,397	1.5%
2022	24,771	1.5
2023	25,145	1.5
2024	25,519	1.5
2025	25,893	1.5

⁽¹⁾ The number of projected wastewater connections are derived from El Dorado County growth rate estimate of 1.0% and reduced by 10% compared to water connection growth assuming not all new water connections will also have sewer service. Source: District

The number of connections to the Wastewater System will be affected by the pace of development activity within the portions of the District served by the Wastewater System. See the caption “THE EL DORADO IRRIGATION DISTRICT—Certain Factors Affecting Growth” above and “INVESTMENT CONSIDERATIONS—COVID-19 Pandemic.”

Projected Wastewater System Usage

The District currently estimates that Wastewater System usage for Fiscal Year 2021 (based on unaudited actual results) through Fiscal Year 2025 will be as follows:

**El Dorado Irrigation District
Projected Wastewater System Usage**

<i>Fiscal Year Ending December 31</i>	<i>Daily Average Flow (mgd)⁽¹⁾</i>	<i>Increase/(Decrease)</i>
2021	4.8	1.5%
2022	4.8	1.5
2023	4.9	1.4
2024	5.0	1.4
2025	5.1	1.4

⁽¹⁾ Estimates for Fiscal Years 2022 through 2025 assume 1.4-1.5% annual increase based on connections.
Source: District.

Wastewater System usage will be affected by a number of factors, including connections to the Wastewater System and water usage by Wastewater System customers and rates and charges. See the caption “—Projected Wastewater Connections” above.

Projected Wastewater Service Charge Revenues

The following table projects annual wastewater service charge revenues of the Wastewater System for Fiscal Year 2021 (based on unaudited actual results) through Fiscal Year 2025. The projected wastewater service charge revenues reflect the rate increases approved by the Board of Directors through Fiscal Year 2024. See the caption “—Wastewater System Rates and Charges.”

**El Dorado Irrigation District
Projected Wastewater Service Charge Revenues**

<i>Fiscal Year Ending December 31</i>	<i>Service Charge Revenues</i>	<i>Increase/(Decrease)</i>
2021	\$21,375,514	(4.8)%
2022	21,447,000	(0.2)
2023	21,838,830	1.8
2024	22,237,744	1.8
2025	23,096,719	3.9

Source: The District.

The Recycled Water System

The District operates a recycled water distribution system utilizing supplies generated by the Deer Creek and El Dorado Hills Wastewater Treatment Plants. The distribution system is connected to both plants and operates under a single Master Reclamation Permit.

Initial development of the Deer Creek recycled system began in 1990 and was completed in 1994. Serrano, which paid for all capital costs associated with the filtration and delivery of the water in lieu of FCCs, has priority rights up to 2.5 mgd of available recycled water from the Deer Creek Wastewater Treatment Plant. The State Water Resources Control Board mandates that the District release up to 1.0 mgd into Deer Creek during the summer season, which reduces the ability of the plant to deliver recycled water.

The El Dorado Hills recycled water system at the El Dorado Hills Wastewater Treatment Plant began in 1979 when the District opted to construct a 62 million gallon reservoir and a pumping system to supply recycled water to the El Dorado Hills Golf Course. The District constructed the 62 million gallon reservoir and pumping plant with Clean Water Act grant funds.

The District’s Recycled Water System currently cannot produce enough recycled water to meet demand on peak demand days. Therefore, the District supplements the recycled water with potable water. Potable water is supplied to the recycled water distribution system through air gaps located atop recycled water storage tanks. The five-year average for potable water supplementation to the Recycled Water System is 494 acre-feet per year. The recycled water metered demand shown under the caption “—Historic Recycled Water System Demand” includes such potable water supplementation.

Historic Recycled Water Connections

The following table shows the growth in the number of recycled water connections to the Recycled Water System for the last five audited Fiscal Years:

**El Dorado Irrigation District
Historic Recycled Water Connections**

<i>Fiscal Year Ended December 31</i>	<i>Connections</i>	<i>Increase/(Decrease)</i>
2020	5,546	0.2%
2019	5,537	1.1
2018	5,479	0.6
2017	5,446	4.5
2016	5,209	6.0

Source: The District – 2020 ACFR, Table 29.

Historic Recycled Water System Usage

The following table summarizes the volume of recycled water distributed for the last five audited Fiscal Years:

**El Dorado Irrigation District
Historic Recycled Water System Demand
In Acre-Feet Per Year**

<i>Fiscal Year Ended December 31</i>	<i>Annual Total Demand⁽¹⁾</i>	<i>Increase/(Decrease)</i>
2020 ⁽²⁾	3,921	18.4%
2019 ⁽³⁾	3,313	(4.9)
2018	3,483	13.0
2017	3,083	17.0
2016	2,635	12.2

⁽¹⁾ To meet seasonal recycled water demands, the recycled water system demand may include supplemental potable water supplies ranging from approximately 200 to 600 acre-feet per year. See the caption “—The Recycled Water System.”

⁽²⁾ Increase in Fiscal Year 2020 due to increased customer usage associated with dry and warmer weather with the onset of drought conditions.

⁽³⁾ Decrease in Fiscal Year 2019 a result of wet hydrological conditions in April and May of 2019.

Source: The District – Annual Water Resources and Service Reliability Reports – Active Demand Table 14.

A number of factors affect usage of recycled water, including connections to the Recycled Water System and weather conditions. See the caption “—Historic Recycled Water Connections” above.

Historic Recycled Water Service Charge Revenues

The following table shows annual recycled water service charge revenues of the Recycled Water System for the last five audited Fiscal Years:

El Dorado Irrigation District Historic Recycled Water Service Charge Revenues

<i>Fiscal Year Ended December 31</i>	<i>Service Charge Revenues</i>	<i>Increase/(Decrease)</i>
2020	\$2,773,429	14.7%
2019	2,417,662	0.5%
2018	2,405,631	8.0
2017	2,227,082	16.8
2016	1,905,962	18.6

Source: The District.

Largest Customers

The following table sets forth the ten large customers of the Recycled Water System as of December 31, 2020 (the most recently completed audited Fiscal Year), as determined by annual payments:

El Dorado Irrigation District Largest Recycled Water Customers

<i>Customer</i>	<i>Annual Payments</i>
Serrano El Dorado Owners Association	\$254,498
Serrano Country Club	202,316
Serrano Associates LLC	55,689
Four Seasons Owners Association	45,553
Blackstone Master Association	43,264
El Dorado Hills CSD	41,426
Heritage At El Dorado Hills	17,102
Vineyards At Valley View	16,587
Buckeye Union School District	14,597
Parker Development Company	<u>13,922</u>
Total	<u>\$704,954</u>

Source: The District.

These large customers accounted for approximately 25.4% of recycled water sales from the Recycled Water System and approximately 0.68% of total District Revenues in 2020.

Recycled Water System Rates and Charges

General. Recycled water rates consist of basic flat charges and volumetric charges. Customers are billed a basic charge on a bimonthly basis depending on meter size and a commodity charge per cubic feet of metered water. As of January 1, 2022, the bimonthly basic charges and the commodity charges are set forth in the table below.

On April 27, 2020 after a notice, public hearing and protest process described under the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218,” the Board of Directors approved Recycled Water System rate increases of approximately 5% through Fiscal Year 2025, subject to an annual review of the need to implement the rate increases and adjust the percentage of rate increase downward, if warranted. The Board of Directors has the authority to reduce such rates in the future, subject to the rate covenant with respect to the Recycled Water System described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS—Rate Covenants.” The Recycled Water System projected operating results under the caption “—Projected Operating Results and Debt Service Coverage” are based on such approved rate increases and assume implementation of the approved rate increases by the Board of Directors in Fiscal Years through 2025. In the event the Board of Directors reduces or eliminates any of such approved rate increases, the District’s projected operating results set forth under the captions “—Projected Operating Results and Debt Service Coverage” and “FINANCIAL INFORMATION OF THE DISTRICT—Projected Operating Results and Debt Service Coverage” may be materially adversely affected.

El Dorado Irrigation District Recycled Water Rates and Charges⁽¹⁾ Fiscal Years 2021 and 2022

	<u>1/1/2022</u>	<u>1/1/2023</u>
<i>Base Charge Recycled Water</i>		
Single Family Dual Plumbed Residential	\$ 16.54	\$ 17.37
Commercial Landscape/Recreational Turf		
5/8” and 3/4”	36.86	38.70
1”	54.04	56.74
1 1/2”	93.35	98.02
1 1/2”T	110.54	116.08
2”	142.49	149.61
2”T	142.49	149.61
3”	275.15	288.91
3”T	299.71	314.70
4”	422.56	443.69
4”T	528.19	554.60
6”	830.36	871.88
6”T	1,159.57	1,217.55
8”T	1,977.64	2,076.52
10”T	3,132.10	3,288.71
12”T	3,979.04	4,177.99
<i>Commodity Charge Recycled Water (per cf)</i>		
<i>Single Family Dual Plumbed Residential</i>		
0 - 3,000 cf (rate is 50% of potable water tier 1)	\$ 0.009482	\$ 0.009956
3,001 - 4,500 cf (rate is 70% of potable water tier 2)	0.016019	0.016820
Above 4,500 cf (rate is 90% of potable water tier 3)	0.024167	0.025375
Commercial Landscape	0.007453	0.007950
Recreational Turf	0.007950	0.008346

⁽¹⁾ 1 cf = 1 cubic foot of water.

Source: The District.

Facility Capacity Charges. The table below sets forth facility capacity charge rates for a 0.75” meter for Fiscal Years 2021 and 2022 for the Recycled Water System in various areas of the District. Facility capacity charges consist of a one-time connection fee.

**El Dorado Irrigation District
Recycled Water System Facility Capacity Charges
Fiscal Years 2019 and 2020**

<i>2021 Rate</i>	<i>2022 Rate</i>
\$3,639	\$3,919

Source: The District.

Collection Procedures

The District utilizes a bimonthly billing cycle for water, wastewater and recycled water services and sends a consolidated bill every other month to District customers. Payment is due by the 21st day after the billing date, and is considered delinquent if not paid within 5 business days of the due date. When a customer’s account becomes delinquent, the District will send a Past Due Notice by mail and assess a late fee, giving the customer an additional 10 days to make payment in full or if authorized, establish a payment plan. If the District does not receive payment or the customer does not establish a payment arrangement within the 10 days, the District will send a Second Past Due Notice to the customer by mail and assess an additional late fee. Accounts that remain delinquent may receive additional notifications via phone in an attempt to collect payment or establish a payment plan. Account balances that remain unpaid for 120 days are subject to a lien being recorded against the property and may be collected through the property taxes on an annual basis.

In response to the COVID-19 pandemic described under the caption “INVESTMENT CONSIDERATIONS—Coronavirus,” on April 2, 2020, Governor Newsom signed an executive order, which among other things, suspends 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 includes the charges for water, wastewater and recycled water services (as applicable) on the same bills sent to customers. As a result, in addition to water service, the District did not suspend wastewater service and recycled water service for non-payment. The District also temporarily suspended collection activities and late fees and penalties.

When the Governor’s executive order with respect to the suspension of water service for non-payment was in effect, delinquency rates were not materially higher in Fiscal Year 2021 compared to Fiscal Year 2020. The District can make no assurances that delinquency rates will not increase further as a result of the economic impact of the COVID-19 outbreak.

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 Recycled Water System Improvements

The District estimates total capital improvements to the Recycled Water System of approximately \$2,250,000 over the next five years. The District expects that such capital improvements will be funded by facility capacity charges and recycled water revenues. The District expects to obtain all environmental and other permits and approvals necessary for such capital improvements in a timely manner to permit expenditures on the referenced capital improvements.

Projected Recycled Water Connections

The following table shows the increase in the number of recycled water connections to the Recycled Water System projected by the District for Fiscal Year 2021 (based on unaudited actual results) through Fiscal Year 2025:

**El Dorado Irrigation District
Projected Recycled Water Connections⁽¹⁾**

<i>Fiscal Year Ending December 31</i>	<i>Connections</i>	<i>Increase/(Decrease)</i>
2021	5,557	0.2%
2022	5,568	0.2
2023	5,579	0.2
2024	5,590	0.2
2025	5,601	0.2

⁽¹⁾ Reflects limited projected new recycled water development. Increases shown reflect estimated infill developments.
Source: The District

The number of connections to the Recycled Water System will be affected by the pace of development activity within the portions of the District served by the Recycled Water System. See the caption “THE EL DORADO IRRIGATION DISTRICT—Certain Factors Affecting Growth” above and “INVESTMENT CONSIDERATIONS—Coronavirus.”

Projected Recycled Water System Demand

The District currently estimates that Recycled Water System demand for Fiscal Year 2021 (based on unaudited actual results) through Fiscal Year 2025 will be as follows:

**El Dorado Irrigation District
Projected Recycled Water System Demand
In Acre-Feet Per Year**

<i>Fiscal Year Ending December 31</i>	<i>Average Total Demand⁽¹⁾</i>	<i>Increase/(Decrease)</i>
2021	3,929	0.2%
2022	3,937	0.2
2023	3,945	0.2
2024	3,953	0.2
2025	3,961	0.2

⁽¹⁾ Recycled water demand will be highly variable year to year based on weather, climate and other factors. See the caption “THE WATER SYSTEM OF THE DISTRICT—Response to Weather Conditions.”
Source: The District – 2013 District Wastewater Facilities Master Plan.

Recycled water deliveries will be affected by a number of factors, including connections to the Recycled Water System and weather conditions. See the caption “—Projected Recycled Water Connections” above.

Projected Recycled Water Service Charge Revenues

The following table projects annual recycled water service charge revenues of the Recycled Water System for Fiscal Year 2021 (based on unaudited actual results) through Fiscal Year 2025. The projected

recycled water service charge revenues reflect the rate increases approved by the Board of Directors through Fiscal Year 2025. See the caption “—Recycled Water System Rates.”

**El Dorado Irrigation District
Projected Recycled Water Service Charge Revenues**

<i>Fiscal Year Ending December 31</i>	<i>Service Charge Revenues</i>	<i>Increase/(Decrease)</i>
2021	\$ 2,535,982	1.0%
2022	2,963,520	5.8
2023	3,136,590	5.8
2024	3,319,766	5.8
2025	3,513,641	5.8

Source: The District.

Historic Operating Results and Debt Service Coverage

The following tables are summaries of operating results of the Wastewater System of the District, including the Recycled Water System, for the last five audited Fiscal Years. Beginning in fiscal year 2017, the District revised the presentation of its historic operating results to conform to similar revisions made in its audited financial statements. Such revised presentation is shown below for Fiscal Years 2017 through 2020. These results have been derived from the Financial Statements of the District but exclude certain receipts which are not included as Revenues under the Indenture and certain non-cash items and include certain other adjustments as required or permitted by the Indenture.

**El Dorado Irrigation District
Wastewater System
Historic Operating Results
Fiscal Year Ended December 31, 2016**

	2016
Revenues	
Wastewater Service Charges	\$ 19,504,473
Facility Capacity Charges ⁽¹⁾	5,789,372
1% Property Tax Revenue ⁽¹⁾	4,493,590
Wastewater Service ⁽²⁾	476,398
Surcharges ⁽¹⁾	994,506
Investment Income ⁽¹⁾	237,483
Recycled Water Reimbursement/Sales	1,905,962
Other Income ⁽¹⁾	<u>480,879</u>
Total Revenues	\$ 33,882,663
Operation and Maintenance Costs⁽¹⁾	
Communications	\$ 106,218
Human Resources	758,367
Information Technology	685,299
Engineering	965,258
Wastewater Operations	11,365,429
Recycled Water Operations	441,924
Finance	1,701,969
Office of the General Manager	822,780
Other Expense ⁽³⁾	<u>1,101,339</u>
Total Operation and Maintenance Costs	\$ 17,948,583
Net Revenues	\$ 15,934,080
Senior Debt Service⁽⁴⁾	
2004A Installment Purchase Agreement	--
2008A Installment Purchase Agreement	\$ 109,788
2009A Installment Purchase Agreement	1,671,198
2010A Installment Purchase Agreement ⁽⁵⁾	331,533
2012A Bonds	970,363
2012B Bonds	93,902
2014A Bonds ⁽⁶⁾	2,907,320
2016A Bonds	32,484
2016B Installment Purchase Agreement	--
2016C Bonds	<u>--</u>
Total Senior Debt Service	\$ 6,116,588
Senior Debt Service Coverage	2.61
Net Revenues Available for Capital Projects or Other Purposes	\$ 9,817,492

⁽¹⁾ Represents the share allocated to the Wastewater System.

⁽²⁾ Increase in 2016 a result of allocation of certain development services revenues to the Wastewater System per change in accounting rules.

⁽³⁾ Includes fees payable with respect to the credit facility in place from time-to-time relating to the 2008 Certificates. In 2016, the District refunded the outstanding 2008 Certificates with a portion of the proceeds of the 2016C Bonds.

⁽⁴⁾ Debt Service payments allocated to the Wastewater System.

(Footnotes continued on following page)

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⁽⁵⁾ As discussed below under the caption “—Projected Operating Results and Debt Service Coverage,” the District prepaid, from District reserves, the outstanding amount under the 2010A Installment Purchase Agreement on March 1, 2019.

⁽⁶⁾ Reflects prepayment in 2015 of principal and interest due on March 1, 2016. See the caption “—Management Discussion With Respect to Fiscal Years 2015 through 2020” below.

Source: The District.

**El Dorado Irrigation District
Wastewater System
Historic Operating Results
Fiscal Years Ended December 31, 2017 through 2020**

	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>
Revenues				
Wastewater Service Charges	\$ 22,443,036	\$ 22,235,351	\$ 21,636,703	\$ 20,645,291
Facility Capacity Charges ⁽¹⁾	4,861,626	5,115,328	8,590,535	6,073,203
1% Property Tax Revenue ⁽¹⁾⁽²⁾	3,490,161	5,257,953	5,086,245	4,758,168
Wastewater Service ⁽³⁾	370,453	409,335	453,016	266,150
Surcharges ⁽¹⁾	1,002,950	1,007,347	1,003,560	1,004,407
Investment Income ⁽⁴⁾	345,186	763,847	677,511	350,337
Recycled Water Reimbursement/Sales	2,773,429	2,417,661	2,405,631	2,227,082
Other Income ⁽¹⁾⁽⁵⁾	<u>1,234,575</u>	<u>441,848</u>	<u>559,252</u>	<u>1,717,894</u>
Total Revenues	<u>\$ 36,521,416</u>	<u>\$ 37,648,670</u>	<u>\$ 40,412,453</u>	<u>\$ 37,042,532</u>
Operation and Maintenance Costs⁽¹⁾				
Personnel Expenses ⁽⁶⁾	\$ 10,458,183	\$ 10,869,403	\$ 9,221,250	\$ 9,451,340
Operating Supplies	1,601,286	1,601,146	1,517,501	1,580,438
Chemicals	586,029	629,150	626,332	496,250
Administration	1,149,737	1,076,302	1,087,808	1,039,300
Utilities	2,963,707	2,720,838	2,708,955	2,643,061
Professional Services	1,550,320	1,732,884	1,792,685	2,012,287
Repair Services	215,595	362,463	424,316	274,246
Insurance	153,231	180,358	147,400	158,591
Other Expense ⁽⁷⁾	<u>187,870</u>	<u>98,747</u>	<u>651,414</u>	<u>299,362</u>
Total Operation and Maintenance Costs	<u>\$ 18,865,958</u>	<u>\$ 19,271,292</u>	<u>\$ 18,177,661</u>	<u>\$ 17,954,875</u>
Net Revenues	\$ 17,655,458	\$ 18,377,379	\$ 22,234,792	\$ 19,087,657
Senior Debt Service⁽⁸⁾				
2009A Installment Purchase Agreement	--	\$ 1,474,721	\$ 1,474,105	\$ 1,473,577
2010A Installment Purchase Agreement	--	331,532	331,532	331,532
2012A Bonds ⁽⁹⁾	\$ 1,803,162	1,940,838	1,945,027	1,945,407
2012B Bonds	94,445	95,300	93,705	93,934
2014A Bonds ⁽¹⁰⁾	1,855,706	2,905,436	2,907,342	2,911,982
2016A Bonds	1,725,592	354,376	354,376	354,376
2016B Installment Purchase Agreement	--	--	--	--
2016C Bonds	1,467,318	1,564,870	1,564,870	1,412,730
2020A Installment Purchase Agreement	--	--	--	--
2020B Bonds	--	--	--	--
2020C Bonds	1,008,906	--	--	--
2020D Bonds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Senior Debt Service	<u>\$ 7,995,129</u>	<u>\$ 8,667,072</u>	<u>\$ 8,670,957</u>	<u>\$ 8,523,538</u>
Senior Debt Service Coverage	2.22	2.12	2.56	2.24
Net Revenues Available for Capital Projects or Other Purposes	\$ 9,700,329	\$ 9,710,307	\$ 13,563,835	\$ 10,564,119

⁽¹⁾ Represents the share allocated to the Wastewater System.

⁽²⁾ Decrease in 2020 is attributable in part to Board approved allocation of tax revenue between the Water and Wastewater Systems to reflect 75% (from 60%) to the Water System and 25% (from 40%) to the Wastewater System.

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⁽³⁾ Decrease in Fiscal Years 2017 [and 2020] a result of decreases in development services revenue.

⁽⁴⁾ Excludes unrealized gains and losses on investments.

⁽⁵⁾ Excludes the Wastewater System's share of the \$2.9 million non-cash write-off of expected reimbursements from FEMA that was recognized and accrued as revenues in 2017 in accordance with Generally Accepted Accounting Principles. Were the District to not have recognized the FEMA revenue in Fiscal Year 2017, senior debt service coverage in Fiscal Year 2017 would have been 2.21.

⁽⁶⁾ Excludes non-cash accrual of benefits related to pension and post-employment benefits.

- (7) Includes fees payable with respect to the credit facility in place from time-to-time relating to the 2008 Certificates. In 2016, the District refunded the outstanding 2008 Certificates with a portion of the proceeds of the 2016C Bonds.
- (8) Debt Service payments allocated to the Wastewater System.
- (9) Reflects prepayments in 2016, 2017, 2018 and 2019 of principal and interest due on the next succeeding March 1, respectively (57.4% of this prepayment was allocated to the Water System and 42.6% was allocated to the Wastewater System). See the caption “—Management Discussion With Respect to Fiscal Years 2015 through 2020” below.
- (10) Reflects prepayments in 2016, 2017, 2018 and 2019 of principal and interest due on the next succeeding March 1, respectively (55.2% of this prepayment was allocated to the Water System and 44.8% was allocated to the Wastewater System). See the caption “—Management Discussion With Respect to Fiscal Years 2015 through 2020” below.

Source: The District.

Management Discussion With Respect To Fiscal Years 2015 through 2020

In Fiscal Years 2016 through 2019 the District prepaid \$2,998,800, \$2,997,369, \$2,995,925 and \$2,999,588 in principal and interest, respectively, of the 2012A Bonds due on the succeeding March 1, from District reserves. In Fiscal Years 2016 through 2019, approximately 42.6% of such prepayments were allocable to the Wastewater System in each of such Fiscal Years.

In Fiscal Years 2015 through 2019 the District prepaid \$2,998,800, \$2,998,800, \$2,998,125, \$2,998,125 and \$2,998,125 in principal and interest, respectively, of the 2014A Bonds due on the succeeding March 1, from District reserves. In Fiscal Years 2015 through 2019, approximately 44.8% of such prepayments were allocable to the Water System in each of such Fiscal Years.

In addition, on March 1, 2019, the District prepaid, from District reserves, the outstanding \$14,755,000 principal amount under the 2010A Installment Purchase Agreement, at a prepayment price equal to such principal amount, plus interest with respect thereto to the prepayment date, without premium.

Without the foregoing prepayments, with respect to the Wastewater System, the District’s senior debt service coverage would have been 1.82 in 2016, 1.71 in Fiscal Year 2017, 1.97 in Fiscal Year 2018, 1.63 in Fiscal Year 2019 and 1.67 in Fiscal Year 2020.

Projected Operating Results and Debt Service Coverage

The District’s estimated projected operating results for the Wastewater System for Fiscal Year 2021 (based on unaudited actual results) through Fiscal Year 2025, including the Recycled Water System, 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 upon a variety of assumptions, including the assumptions set forth in the footnotes to the chart below. All of 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.

In Fiscal Years 2020 and 2021, the District prepaid \$5,999,106 and \$2,996,030 in principal and interest, respectively, of the 2020C Bonds due on the succeeding March 1, from District reserves. In Fiscal Years 2020 and 2021, approximately 43.8% of such prepayments were allocable to the Wastewater System in each of such Fiscal Years.

In Fiscal Year 2021, the District prepaid \$2,998,125 in principal and interest of the 2016A Bonds due on the succeeding March 1, from District reserves. In Fiscal Year 2021, approximately 44.0% of such prepayments were allocable to the Wastewater System.

Without the foregoing prepayments, with respect to the Wastewater System, the District’s senior debt service coverage would have been 1.96 in Fiscal Year 2021 (based on unaudited actual results) and would have been projected to be 2.20 in Fiscal Year 2022.

The District anticipates prepaying, from District reserves, approximately \$2,838,000 in principal amount of the 2020C Bonds in each of Fiscal Years 2022 through 2025. Approximately 43.8% of such amounts will be expected to be allocated to the Wastewater System in each of such Fiscal Years. As a result of such prepayments, with respect to the Wastewater System, the District projects achieving 4.12 times senior debt service coverage in Fiscal Year 2023, 4.15 in Fiscal Year 2024 and 4.38 in Fiscal Year 2025. No assurances can be made that such prepayments will be made and if such prepayments are made, that such debt service coverage levels will be achieved. The table below does not take in account the effect of such projected prepayments.

**El Dorado Irrigation District
Wastewater System
Projected Operating Results
Fiscal Year Ended December 31**

	<i>2021⁽¹⁶⁾</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>
Revenues					
Wastewater Service Charges ⁽¹⁾	\$ 21,375,514	\$ 21,447,000	\$ 21,838,830	\$ 22,237,744	\$ 23,096,719
Facility Capacity Charges ⁽²⁾	6,895,304	5,900,000	4,100,000	4,100,000	4,100,000
1% Property Tax Revenue ⁽³⁾	3,631,567	3,704,198	3,778,282	3,853,848	3,930,925
Surcharges ⁽⁴⁾	93,548	0	0	0	0
Investment Income ⁽⁵⁾	107,890	300,000	300,000	300,000	300,000
Recycled Water Reimbursement/Sales ⁽⁶⁾	2,535,982	2,963,520	3,136,590	3,319,766	3,513,641
Other Income ⁽⁷⁾	<u>677,662</u>	<u>1,306,815</u>	<u>1,317,269</u>	<u>1,327,808</u>	<u>1,338,430</u>
Total Revenues	\$ 35,317,467	\$ 35,621,533	\$ 34,470,971	\$ 35,139,166	\$ 36,279,715
Operation and Maintenance Costs⁽⁸⁾					
Personnel Expenses	\$ 10,602,519	\$ 11,252,025	\$ 9,269,799	\$ 9,488,242	\$ 10,022,551
Operating Supplies	1,677,814	1,681,270	1,731,708	1,783,659	1,819,332
Chemicals	641,125	673,871	694,087	714,910	729,208
Administration	1,172,743	1,206,972	1,243,181	1,280,476	1,306,086
Utilities	2,626,924	3,146,941	3,241,349	3,338,589	3,405,361
Professional Services	1,711,721	1,782,282	1,835,750	1,890,823	1,928,639
Repair Services	225,549	1,583,716	1,631,227	1,680,164	1,713,767
Insurance	202,889	307,029	316,240	325,727	332,242
Other Expense	<u>318,275</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operation and Maintenance Costs	\$ 19,179,559	\$ 21,634,106	\$ 19,963,341	\$ 20,502,590	\$ 21,257,186
Net Revenues	\$ 16,137,908	\$ 13,987,427	\$ 14,507,630	\$ 14,636,576	\$ 15,022,529
Senior Debt Service⁽⁹⁾					
2014 Bonds	\$ 228,662	\$ 379,156	\$ 375,232	\$ 377,990	\$ 2,010,794
2016A Bonds ⁽¹⁰⁾	1,723,524	405,405	1,723,535	1,725,075	0
2016B Installment Purchase Agreement ⁽¹¹⁾	0	0	0	0	0
2016C Bonds	394,249	394,249	394,249	394,249	394,249
2020A Installment Purchase Agreement ⁽¹²⁾	0	0	0	0	0
2020B Bonds ⁽¹³⁾	0	0	0	0	0
2020C Bonds ⁽¹⁴⁾	2,137,221	1,433,757	2,745,656	2,745,138	2,745,469
2020D Bonds	<u>1,119,470</u>	<u>1,119,514</u>	<u>1,118,394</u>	<u>1,118,378</u>	<u>1,119,415</u>
Total Senior Debt Service	\$ 5,603,125	\$ 3,732,080	\$ 6,357,067	\$ 6,360,829	\$ 6,269,926
Senior Debt Service Coverage	2.88	3.75	2.28	2.30	2.40
Net Revenues Available for Subordinate Debt Service Coverage	\$ 10,534,783	\$ 10,255,347	\$ 8,150,564	\$ 8,275,747	\$ 8,752,603
Subordinate Debt Service⁽⁹⁾					
2022A Bonds ⁽¹⁵⁾	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,935,125</u>	<u>\$ 2,042,701</u>	<u>\$ 1,796,244</u>
Total Subordinate Debt Service	\$ 0	\$ 0	\$ 1,935,125	\$ 2,042,701	\$ 1,796,244
Subordinate Debt Service Coverage	NA	NA	4.21	4.05	4.87
All-in Debt Service Coverage	2.88	3.75	1.75	1.74	1.86
Net Revenues Available for Capital Projects or Other Purposes	\$ 10,534,783	\$ 10,255,347	\$ 6,215,438	\$ 6,233,046	\$ 6,956,359

(1) Based on projected wastewater service charges described under the caption “—Projected Wastewater Service Charge Revenues” and projected increases in retail wastewater rates and charges described under the caption “—Wastewater System Rates and Charges.”

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(2) Represents facility capacity charges projected to be collected from operation of the Wastewater System. Revenues from Facility Capacity Charges based on District projections of operating results from Fiscal Year 2022 to Fiscal Year 2025. Projected number of

water connections is derived from engineering estimates contained within the District's 2013 Water Resources Master Plan – Table 9-2, which are used for projecting timing and sizing of water facility additions. The 2013 Water Resources Master Plan information was derived by engineering consultants using, in part, County of El Dorado Economic Development growth projections.

- (3) Represents the share allocated to the Wastewater System. Property taxes collected are allocated between the Water and Wastewater Systems at the District's discretion. See the caption "EL DORADO IRRIGATION DISTRICT—1% Property Tax Revenues."
- (4) Represents surcharges projected to be collected from operation of the Wastewater System. Surcharges sunset in 2021.
- (5) Projected at 1% -2% per annum on Wastewater System reserves.
- (6) Based on projected recycled water sales described under the caption "—Projected Recycled Water Service Charge Revenues" and projected increases in recycled water rates and charges described under the caption "—Recycled Water System Rates."
- (7) Includes revenues from Industrial Pretreatment Program and Cross Connection Program, a State-mandated wastewater and recycled water testing program.
- (8) Projected increase in Fiscal Year 2022 due to costs relating to recycled tank recoating program. Projected decrease in Fiscal Year 2023 due to projected effect of prepaying the District's Unfunded Liability through the issuance of the 2022A Bonds.
- (9) Debt Service allocated to the Wastewater System.
- (10) Fiscal Year 2022 amount reflects prepayment from District reserves of principal of and interest on the 2016A Bonds due on March 1, 2022 in the amount of \$2,998,125 (56.0% of this prepayment was allocated to the Water System and 44.0% was allocated to the Wastewater System).
- (11) No amounts due under the 2016B Installment Purchase Agreement are allocated to the Wastewater System.
- (12) No amounts due under the 2020 Installment Purchase Agreement are allocated to the Wastewater System.
- (13) No amounts due on the 2020B Bonds are allocated to the Wastewater System.
- (14) Fiscal Year 2021 and 2022 amounts reflect prepayment from District reserves of principal of and interest on the 2020C Bonds due on March 1, 2020 in the amounts of \$5,999,106 and \$2,996,030, respectively (56.2% of this prepayment was allocated to the Water System and 43.8% was allocated to the Wastewater System).
- (15) Reflects projected debt service on the 2022A Bonds based on a preliminary principal amount of \$24,483,400 allocated to the Wastewater System and true interest cost of 3.99%.
- (16) Based on unaudited actual results. See the caption "EL DORADO IRRIGATION DISTRICT—Budget Process."

Source: The District.

FINANCIAL INFORMATION OF THE DISTRICT

Financial Statements

A copy of the most recent audited basic financial statements and compliance report of the District for the Fiscal Year ending December 31, 2020 prepared by Hudson Henderson & Company, Inc. (the “Auditor”) and the Auditor’s compliance report are included as Appendix A hereto (the “Financial Statements”). The Auditor’s letter concludes that the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of each major fund of the District, as of December 31, 2020 and 2019 and the respective changes in financial position, and, where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The Auditor has not reviewed the information contained in this Official Statement, nor has the Auditor been asked to consent to the inclusion of the Financial Statements herein.

The summary operating results contained under the caption “—Historic Operating Results and Debt Service Coverage” are derived from these financial statements (excluding certain non-cash items and after certain other adjustments required or permitted by the Indenture) and are qualified in their entirety by reference to such statements, including the notes thereto.

Historic Operating Results and Debt Service Coverage

The following tables are summaries of operating results of the District, for the last five audited Fiscal Years. Beginning in fiscal year 2017, the District revised the presentation of its historic operating results to conform to similar revisions made in its audited financial statements. Such revised presentation is shown below for Fiscal Years 2017 through 2020. These results have been derived from the Financial Statements of the District but exclude certain receipts which are not included as Revenues under the Indenture and certain non-cash items and include certain other adjustments required or permitted by the Indenture.

**El Dorado Irrigation District
Historic Operating Results
Fiscal Year Ended December 31, 2016**

	2016
Revenues	
Water Sales	\$ 27,708,164
Wastewater Service Charges	19,504,473
Facility Capacity Charges	12,416,595
1% Property Tax Revenue	11,233,975
Water Service	814,778
Wastewater Service	476,398
Surcharges	2,412,032
Investment Income	729,235
Recreation Fees	1,532,912
Reclaimed Water Reimbursement/Sales	1,905,962
Hydroelectric Revenues	6,296,331
Other Income ⁽¹⁾	<u>2,550,172</u>
Total Revenues	\$ 87,581,027
Operation and Maintenance Costs	
Communications	\$ 316,124
Human Resources	2,257,044
Information Technology	2,039,581
Engineering	2,898,647
Water Operations	11,305,353
Wastewater Operations	11,365,429
Recycled Water Operations	441,924
Finance	6,296,011
Hydroelectric	3,944,557
Office of the General Manager	2,448,749
Recreation	1,358,062
Other Expense ⁽³⁾	<u>2,300,258</u>
Total Operation and Maintenance Costs	\$ 46,971,739
Net Revenues	\$ 40,609,288
Pre-existing Obligations	
Existing State Loans	<u>\$ 1,079,317</u>
Total Pre-existing Obligations	\$ 1,079,317
Net Revenues Available for Senior Debt Service Coverage	\$ 39,529,971
Senior Debt Service	
2004A Installment Purchase Agreement	--
2008A Installment Purchase Agreement	\$ 281,148
2009A Installment Purchase Agreement	3,798,178
2010A Installment Purchase Agreement ⁽²⁾	778,063
2012A Bonds	2,277,313
2012B Bonds	220,375
2014A Bonds ⁽³⁾	6,483,763
2016A Bonds	73,828
2016B Installment Purchase Agreement	176,335
2016C Bonds	--
Additional State Loans	<u>373,310</u>
Total Senior Debt Service	\$ 14,462,313
Senior Debt Service Coverage	2.73
Net Revenues Available for Capital Projects or Other Improvements	\$ 25,067,658

⁽¹⁾ Includes fees payable with respect to the Credit Facility Agreement in place from time-to-time relating to the 2008 Certificates. In 2016, the District refunded the outstanding 2008 Certificates with a portion of the proceeds of the 2016C Bonds.

(Footnotes continued on following page)

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- (2) As discussed below under the caption “—Projected Operating Results and Debt Service Coverage,” the District prepaid, from District reserves, the outstanding amount under the 2010A Installment Purchase Agreement on March 1, 2019.
- (3) Reflects prepayments in 2015 of principal and interest due on March 1, 2016. See the caption “—Management Discussion With Respect to Fiscal Years 2015 through 2020” below.
- (4) Fiscal Year 2015 amount includes \$1,849,860 resulting from a one-time water transfer. See the caption “Historic Water Sales Revenues—Water Transfer.”

Source: The District.

**El Dorado Irrigation District
Historic Operating Results
Fiscal Year Ended December 31, 2017 through 2020**

	2020	2019	2018	2017
Revenues				
Water Sales	\$ 33,895,394	\$ 30,917,264	\$ 30,726,486	\$ 30,376,487
Wastewater Service Charges	22,443,036	22,235,351	21,636,703	20,645,291
Facility Capacity Charges	9,579,032	12,867,152	20,049,963	14,021,836
1% Property Tax Revenue	13,960,645	13,144,883	12,715,612	11,895,420
Water Service	3,475,275	730,601	1,265,974	506,637
Wastewater Service	370,453	409,335	453,016	266,150
Surcharges	2,336,524	2,363,956	2,512,555	2,371,429
Investment Income ⁽¹⁾	1,295,860	2,397,136	2,482,264	1,226,005
Recreation Fees	1,799,869	1,774,235	1,720,429	1,597,877
Reclaimed Water Reimbursement/Sales	7,156,800	2,417,661	2,405,631	2,227,082
Hydroelectric Revenues ⁽²⁾	2,773,429	9,679,827	5,953,290	11,390,167
Other Income ⁽³⁾	4,629,374	4,600,330	2,123,960	7,423,120
Total Revenues	<u>\$ 103,715,691</u>	<u>\$ 103,537,731</u>	<u>\$ 104,045,883</u>	<u>\$ 103,947,501</u>
Operation and Maintenance Costs				
Personnel Expenses ⁽⁴⁾	\$ 32,050,901	\$ 30,020,266	\$ 28,316,993	\$ 27,147,097
Operating Supplies	4,618,033	4,786,499	4,153,441	3,931,957
Chemicals	1,119,618	1,096,113	1,046,891	950,687
Administration	4,390,139	3,943,347	4,023,992	3,603,074
Utilities	5,889,195	5,235,091	5,159,219	5,012,741
Professional Services	4,770,663	5,003,793	4,592,219	4,510,253
Repair Services	1,890,688	2,126,568	1,501,341	1,471,872
Insurance	714,677	810,577	641,832	650,995
Other Expense ⁽⁵⁾	427,841	1,835,299	986,153	456,821
Total Operation and Maintenance Costs	<u>\$ 55,871,755</u>	<u>\$ 54,857,553</u>	<u>\$ 50,719,426</u>	<u>\$ 47,735,497</u>
Net Revenues	\$ 47,843,936	\$ 48,680,178	\$ 53,326,457	\$ 56,212,004
Pre-existing Obligations				
Existing State Loans	\$ 539,658	\$ 1,079,317	\$ 1,079,317	\$ 1,079,317
Total Pre-existing Obligations	<u>\$ 539,658</u>	<u>\$ 1,079,317</u>	<u>\$ 1,079,317</u>	<u>\$ 1,079,317</u>
Net Revenues Available for Senior Debt Service Coverage	\$ 47,304,278	\$ 47,600,861	\$ 52,247,140	\$ 55,132,687
Senior Debt Service				
2009A Installment Purchase Agreement	--	\$ 3,351,638	\$ 3,350,238	\$ 3,349,038
2010A Installment Purchase Agreement ⁽⁶⁾	--	778,063	778,063	778,063
2012A Bonds ⁽⁷⁾	\$ 4,231,781	4,554,888	4,564,719	4,565,612
2012B Bonds	221,650	223,656	219,913	220,450
2014A Bonds ⁽⁸⁾	4,138,506	6,479,563	6,483,813	6,494,162
2016A Bonds	3,921,800	805,400	805,400	805,400
2016B Installment Purchase Agreement	1,923,650	1,923,650	1,923,650	1,923,650
2016C Bonds	3,757,538	4,007,350	4,007,350	3,617,747
2020A Installment Purchase Agreement	508,753	--	--	--
2020B Bonds	52,889	--	--	--
2020C Bonds	2,277,440	--	--	--
2020D Bonds	--	--	--	--
Additional State Loans	186,656	373,310	373,310	373,310
Total Senior Debt Service	<u>\$ 21,220,663</u>	<u>\$ 22,497,516</u>	<u>\$ 22,506,454</u>	<u>\$ 22,127,431</u>
Senior Debt Service Coverage	2.23	2.12	2.32	2.49
Net Revenues for Capital Projects or Other Improvements	\$ 26,083,615	\$ 25,103,345	\$ 29,740,686	\$ 33,005,256

⁽¹⁾ Excludes unrealized gains and losses on investments.

⁽²⁾ Increase in Fiscal Year 2017 a result of power production and insurance reimbursement for lost power production revenues for 2017 storm damage to water canal system.

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- (3) Excludes the \$2.9 million non-cash write-off of expected reimbursements from FEMA that was recognized and accrued as revenues in 2017 in accordance with Generally Accepted Accounting Principles. Were the District to not have recognized the FEMA revenue in Fiscal Year 2017, senior debt service coverage in Fiscal Year 2017 would have been 2.36. Fiscal Year 2019 revenue increase related to FEMA grant revenue recovery from a 2017 storm event.
- (4) Excludes non-cash accrual of benefits related to pension and post-employment benefits.
- (5) Impact from Fiscal Year 2018 to Fiscal Year 2019 related to additional costs incurred by the District in response to several public safety power shutoff events initiated by PG&E.
- (6) As discussed below under the caption “—Management Discussion With Respect to Fiscal Years 2014 through 2019,” the District prepaid, from District reserves, the outstanding amount under the 2010A Installment Purchase Agreement on March 1, 2019.
- (7) Reflects prepayments in 2016, 2017, 2018 and 2019 of principal and interest due on the next succeeding March 1, respectively. See the caption “—Management Discussion With Respect to Fiscal Years 2015 through 2020” below.
- (8) Reflects prepayments in 2016, 2017, 2018 and 2019 of principal and interest due on the next succeeding March 1, respectively. See the caption “—Management Discussion With Respect to Fiscal Years 2015 through 2020” below.

Source: The District.

Management Discussion With Respect To Fiscal Years 2015 through 2020

In Fiscal Years 2016 through 2019 the District prepaid \$2,998,800, \$2,997,369, \$2,995,925 and \$2,930,000 in principal and interest, respectively, of the 2012A Bonds due on the succeeding March 1, from District reserves. In each of Fiscal Years 2016 through 2019, approximately 57.4% and 42.6% of such prepayments was allocable to the Water System and Wastewater System, respectively.

In Fiscal Years 2015 through 2019 the District prepaid \$2,998,800, \$2,998,800, \$2,998,125, \$2,998,125 and \$2,998,125 in principal and interest, respectively, of the 2014A Bonds due on the succeeding March 1, from District reserves. In each Fiscal Years 2015 through 2019, approximately 55.2% and 44.8% of such prepayments was allocable to the Water System and Wastewater System, respectively.

In addition, on March 1, 2019, the District prepaid, from District reserves, the outstanding \$14,755,000 principal amount under the 2010A Installment Purchase Agreement, at a prepayment price equal to such principal amount, plus interest with respect thereto to the prepayment date, without premium.

Without the foregoing prepayments, the District’s senior debt service coverage would have been 1.93 in 2016, 1.96 in Fiscal Year 2017, 1.83 in Fiscal Year 2018, 1.67 in Fiscal Year 2019 and 1.74 in Fiscal Year 2020.

Projected Operating Results and Debt Service Coverage

The District’s estimated projected operating results for the District for Fiscal Year 2021 (based on unaudited actual results) through Fiscal Year 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 a variety of assumptions, including the assumptions set forth in the footnotes to the chart below. All of 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.

In Fiscal Years 2020 and 2021, the District prepaid \$5,999,106 and \$2,996,030 in principal and interest, respectively, of the 2020C Bonds due on the succeeding March 1, from District reserves. In Fiscal Years 2020 and 2021, approximately 56.2% and 43.8% of such prepayments was allocable to the Water System and Wastewater System, respectively.

In Fiscal Year 2021, the District prepaid \$2,998,125 in principal and interest of the 2016A Bonds due on the succeeding March 1, from District reserves. In Fiscal Year 2021, approximately 56.0% and 44.0% of such prepayments was allocable to the Water System and Wastewater System, respectively.

Without the foregoing prepayments, the District's senior debt service coverage would have been 1.98 in Fiscal Year 2021 (based on unaudited actual results) and would have been projected to be 2.22 in Fiscal Year 2022.

The District anticipates prepaying, from District reserves, approximately \$6,000,000 in principal amount of the 2020C Bonds in each of Fiscal Years 2022 through 2025. Approximately 56.2% of such amounts is expected to be allocated to the Water System in each of such Fiscal Years and approximately 43.8% of such amounts is expected to be allocated to the Wastewater System. As a result of such prepayments the District projects achieving 2.97 times senior debt service coverage in Fiscal Year 2023, 3.08 in Fiscal Year 2024 and 2.33 in Fiscal Year 2025. No assurances can be made that such prepayments will be made and if such prepayments are made, that such debt service coverage levels will be achieved. The table below does not take in account the effect of such projected prepayments.

**El Dorado Irrigation District
Projected Operating Results
Fiscal Year Ended December 31**

	2021 ⁽¹⁴⁾	2022	2023	2024	2025
Revenues					
Water Sales ⁽¹⁾	\$ 38,009,083	\$ 38,500,000	\$ 40,586,700	\$ 42,786,499	\$ 45,105,527
Wastewater Service Charges ⁽²⁾	21,375,514	21,447,000	21,838,830	22,237,744	23,096,719
Facility Capacity Charges ⁽³⁾	16,504,777	13,200,000	10,000,000	10,000,000	10,000,000
1% Property Tax Revenue ⁽⁴⁾	14,526,268	14,816,793	15,113,129	15,415,392	15,723,700
Surcharges ⁽⁵⁾	1,458,243	840,487	840,487	840,487	840,487
Investment Income ⁽⁶⁾	515,583	750,000	750,000	750,000	750,000
Recreation Fees ⁽⁷⁾	1,526,205	1,527,752	1,558,307	1,589,474	1,621,263
Reclaimed Water Reimbursement/Sales	2,535,982	2,963,520	3,136,590	3,319,766	3,513,641
Hydroelectric Revenues ⁽⁸⁾	3,789,003	3,500,000	3,500,000	3,500,000	3,500,000
Other Income ⁽⁹⁾	8,050,879	9,181,032	2,339,583	2,108,231	2,121,975
Total Revenues	\$ 108,291,537	\$ 106,726,584	\$ 99,663,626	\$ 102,547,593	\$ 106,273,312
Operation and Maintenance Costs⁽¹⁰⁾					
Personnel Expenses	\$ 32,813,435	\$ 33,103,058	\$ 27,184,721	\$ 27,822,541	\$ 29,405,506
Operating Supplies	4,697,775	4,744,165	4,886,490	5,033,084	5,133,746
Chemicals	1,127,356	1,281,805	1,320,259	1,359,867	1,387,064
Administration	4,895,229	4,583,245	4,720,742	4,862,364	4,959,612
Utilities	5,733,849	5,727,110	5,898,923	6,075,890	6,197,408
Professional Services	4,825,551	5,171,345	5,326,485	5,486,280	5,596,005
Repair Services	2,548,114	4,365,503	4,496,468	4,631,362	4,723,989
Insurance	852,580	1,060,737	1,092,559	1,125,336	1,147,843
Other Expenses	614,829	-	-	-	-
Total Operation and Maintenance Costs	\$ 58,108,718	\$ 60,036,968	\$ 54,926,647	\$ 56,396,724	\$ 58,551,173
Net Revenues	\$ 50,182,819	\$ 46,689,616	\$ 44,736,979	\$ 46,150,869	\$ 47,722,139
Senior Debt Service					
2014 Bonds	\$ 509,950	\$ 845,575	\$ 836,825	\$ 842,975	\$ 4,484,375
2016A Bonds ⁽¹¹⁾	3,917,100	921,375	3,917,125	3,920,625	-
2016B Installment Purchase Agreement	2,545,950	2,444,250	2,494,250	2,491,500	8,088,625
2016C Bonds	1,009,600	1,009,600	1,009,600	1,009,600	1,009,600
2020A Installment Purchase Agreement	2,693,400	2,693,400	2,693,400	2,693,400	2,844,525
2020B Bonds	938,125	958,000	955,625	873,500	876,500
2020C Bonds ⁽¹²⁾	4,881,505	3,274,763	6,271,199	6,270,014	6,270,771
2020D Bonds	2,866,760	2,866,872	2,864,005	2,863,964	2,866,619
Total Senior Debt Service	\$ 19,362,390	\$ 15,013,836	\$ 21,042,030	\$ 20,965,578	\$ 26,441,015
Senior Debt Service Coverage	2.59	3.11	2.13	2.20	1.80
Net Revenues Available for Subordinate Debt Service Coverage	\$ 30,820,429	\$ 31,675,781	\$ 23,694,950	\$ 25,185,290	\$ 21,281,123
Subordinate Debt Service					
2022A Bonds ⁽¹³⁾	\$ 0	\$ 0	\$ 5,765,392	\$ 6,085,897	\$ 5,351,619
Total Subordinate Debt Service	\$ 0	\$ 0	\$ 5,765,392	\$ 6,085,897	\$ 5,351,619
Subordinate Debt Service Coverage	NA	NA	4.11	4.14	3.98
All-in Debt Service Coverage	2.59	3.11	1.67	1.71	1.50
Net Revenues Available for Capital Projects or Other Purposes	\$ 30,820,429	\$ 31,675,781	\$ 17,929,558	\$ 19,099,393	\$ 15,929,504

(1) Based on projected water sales described under the caption "THE WATER SYSTEM OF THE DISTRICT—Projected Water Sales Revenues" and projected increases in retail water rates and charges described under the caption "THE WATER SYSTEM OF THE DISTRICT—Water System Rates and Charges." Includes water sales to City of Placerville at wholesale rates. See the caption "EL DORADO IRRIGATION DISTRICT—Service Area."

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- (2) Based on projected wastewater service charges described under the caption “THE WASTEWATER SYSTEM OF THE DISTRICT — Projected Wastewater Service Charge Revenues” and projected increases in retail wastewater rates and charges described under the caption “THE WASTEWATER SYSTEM OF THE DISTRICT —Wastewater System Rates and Charges.”
- (3) Represents facility capacity charges projected to be collected from operation of the Water System and the Wastewater System. Fiscal Year 2021 amount based on unaudited results. For Fiscal Year 2022 through Fiscal Year 2025 projections are estimated by the District using the projected number of water connections is derived from engineering estimates contained within the District’s 2013 Water Resources Master Plan – Table 9-2, which are used for projecting timing and sizing of water facility additions. The 2013 Water Resources Master Plan information was derived by engineering consultants using, in part, County of El Dorado Economic Development growth projections.
- (4) Property taxes collected are allocated between the Water and Wastewater Systems at the District’s discretion. See the caption “EL DORADO IRRIGATION DISTRICT—1% Property Tax Revenues.”
- (5) Revenues for Fiscal Year 2022 are projected to decrease as a result of “Line and Cover Surcharge #2” sunseting.
- (6) Projected at 1 % to 2% per annum on projected District reserves.
- (7) Based on District projections.
- (8) Fiscal Years 2022 through 2025 based on estimated amounts to be received under a new long-term power purchase agreement. See the caption “THE WATER SYSTEM OF THE DISTRICT—Hydroelectric Revenues.”
- (9) Includes revenues from Industrial Pretreatment Program and Cross Connection Program, a State-mandated wastewater and recycled water testing program. Fiscal Year 2022 budgeted amount increased by 7,000,000 from resulting from a projected federal grant funds for the Folsom Lake Intake Pump Station See the caption “—Historic and Projected System Firm Yield—*Water Transfer*.”
- (10) Projected increase in Fiscal Year 2022 due to costs relating to recycled tank recoating program. Projected decrease in Fiscal Year 2023 due to projected effect of prepaying the District’s Unfunded Liability through the issuance of the 2022A Bonds.
- (11) Fiscal Year 2022 amount reflects prepayment from District reserves of principal of and interest on the 2016A Bonds due on March 1, 2022 in the amount of \$2,998,125 (56.0% of this prepayment was allocated to the Water System and 44.0% was allocated to the Wastewater System).
- (12) Fiscal Year 2021 and 2022 amounts reflect prepayment from District reserves of principal of and interest on the 2020C Bonds due on March 1, 2020 in the amounts of \$5,999,106 and \$2,996,030, respectively (56.2% of this prepayment was allocated to the Water System and 43.8% was allocated to the Wastewater System).
- (13) Reflects projected debt service on the 2022A Bonds based on a preliminary principal amount of \$72,010,000 and true interest cost of 3.99%.
- (14) Based on unaudited actual results. See the caption “EL DORADO IRRIGATION DISTRICT—Budget Process.”

Source: The District.

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 2022A 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 2022A 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 the 2022A Bonds.

Accuracy of Assumptions

To estimate the Net Revenues which will be available to pay the 2022A Bonds, the District has made certain assumptions with regard to various matters, including but not limited to future development within the District, increases in property tax receipts and increases in revenues resulting therefrom, the rates and charges to be imposed in future years, the expenses associated with operating the Water System and the Wastewater 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 Net Revenues available to pay the 2022A Bonds will, in all likelihood, be less than those projected herein. See the captions “WATER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage.” See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS—Rate Covenants.”

Rates Covenants Not a Guarantee

The 2022A Bonds are payable from Net Revenues. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS.” The District’s ability to pay the debt service on the 2022A Bonds depends on its ability to generate Net Water System Revenues and Net Wastewater System Revenues at the levels required by the Indenture. Although the District has covenanted in the Indenture to impose rates and charges as more particularly described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS—Rate Covenants” and expects that sufficient Net Water System Revenues and Net Wastewater System 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 Water System Revenues and Net Wastewater System Revenues in the amounts required by the Indenture. No assurance can be made that Net Water System Revenues and Net Wastewater System Revenues, estimated or otherwise, will be realized by the District in amounts sufficient to pay the debt service on the 2022A Bonds. Among other matters, the availability of and demand for water and wastewater services, and changes in law and government regulations could adversely affect the amount of revenues realized by the District.

Limitations on Increases of Water and Wastewater Rates

Under State law, the District is generally not permitted to apply revenues of the Water System to pay costs related to the Wastewater System, and vice versa. In the event that Water System Revenues decrease as a result of reduced water consumption or for reasons under or beyond the District’s control, the District is not authorized under State law to increase rate and charges of its Wastewater System in order to pay any costs of the Water System. In the event that Wastewater System Revenues decrease as a result of reduced demand for Wastewater Service or for reasons under or beyond the District’s control, the District is not authorized under State law to increase rate and charges of its Water System in order to pay any costs of the Wastewater System. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218.” As a result, a material decrease in the amount of either Wastewater Revenues or Water Revenues on its own could result in insufficient amounts of Net Revenues to pay debt service on the 2022A Bonds. The District Board of Directors has adopted rate increases for water, wastewater and recycled water services through 2025 as described under the captions “THE WATER SYSTEM OF THE DISTRICT—Water System Rates and Charges,” “THE WASTEWATER SYSTEM OF THE DISTRICT—Wastewater System

Rates and Charges” and “—Recycled Water System Rates and Charges.” There can be no assurance, however, that such rate increases will be implemented by the Board of Directors as currently adopted.

System Demand

There can be no assurance that the demand for Water Service and Wastewater 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 2022A BONDS—Rate Covenants.” Demand for Water Service and Wastewater 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. Operation and Maintenance Costs may vary with hydrological conditions, the quality and amount of water supplies, the quality and treatment requirements of wastewater, 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 “THE WATER SYSTEM OF THE DISTRICT—Water Supply.” Increases in Operation and Maintenance 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 2022A BONDS—Rate Covenants.”

Availability of Surface Water

As described further under the caption “THE WATER SYSTEM OF THE DISTRICT—Water Supply,” surface water from the American River and the Cosumnes River are the source of substantially all of the District’s water supply. The unavailability of such surface water supplies due to dry hydrological conditions, climate change, or damage to, or destruction of, the facilities of the District or the USBR, or the infrastructure relating to the American River, the Folsom Reservoir, the Forebay Reservoir, the Cosumnes River or Crawford Ditch, would have a material adverse effect on the District’s ability to service its customers, which in turn would have a material adverse effect on the District’s ability to generate sufficient Net Revenues to pay the principal of and interest on the 2022A 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 2022A Bonds.

Limited Recourse on Default

If the District defaults on its obligation to pay debt service on the 2022A Bonds, the Trustee has the right to declare the total unpaid principal amount of the 2022A Bonds, together with the accrued interest thereon, to be immediately due and payable. However, in the event of a default and such acceleration, there can be no assurance that the District will have sufficient funds to pay such accelerated amounts from Net Revenues.

Increasing Retirement-Related Costs

The District is issuing the Bonds to refund all or a portion of the District's Unfunded Liability under the PERS Contract for the purpose of reducing its future obligations to CalPERS under the PERS Contract. However, future contribution rates in the will depend on a variety of factors, including but not limited to actual investment returns and changes to benefits or actuarial assumptions. No assurance can be made that the cost savings projected by issuing the Bonds and undertaking the refunding of all or a portion of the Unfunded Liability will be realized.

Natural Disasters and Seismic Considerations

General. The District, like all central 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 and the Wastewater System.

Although the District maintains certain insurance, including flood insurance, for damage to the Water System and Wastewater System as described under the caption "EL DORADO IRRIGATION DISTRICT—District Property and Liability 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.

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 and Wastewater System. The District has an emergency response plan that would be implemented under such circumstances.

Newer Water System and Wastewater System facilities are designed to withstand earthquakes with minimal damage, as earthquake loads are taken into consideration in the design of project structures. The impact of lesser magnitude events is expected by the District to be temporary, localized and repairable. The Water System and Wastewater System has never sustained major damage to its facilities or experienced extended incidences of service interruptions as a result of seismic disturbances.

The District maintains earthquake insurance as described under the caption “EL DORADO IRRIGATION DISTRICT—District Property and Liability 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. In 2017, a series of storm events damaged certain District facilities. The District maintains insurance covering damage to the Water System and Wastewater System caused by flooding. See the caption ““EL DORADO IRRIGATION DISTRICT— District Property and Liability Insurance.”

Fire. Wildfires have occurred in recent years in different regions of the State, including the Caldor Fire in El Dorado County during August and September 2021. The majority of the District’s service area, including areas where District facilities are located, are considered by the Department of Forestry and Fire Protection of the State of California (“CalFire”) to have an elevated risk of wildfires and have been mapped with the California Public Utilities Commission Fire Threat Map as either “Elevated” or “Extreme”. To help address this risk, the District has aggressively pursued wildland fire fuel reduction projects across its service area for many years in close partnership with local, State, and federal fire protection agencies to reduce the risk of wildfire to communities, and more specifically District facilities subject to wildfire risk. Over the past decade, the District obtained nearly \$3 million in grants from CalFire to reduce fuels around District facilities. Additionally, the District holds the longest running Vegetation Management Plan (“VMP”) with CalFire, which has been in place for over 30 years, to maintain fuels around the District’s primary water supply reservoir and treatment facilities – Sly Park. These ongoing efforts are key to assisting the District to maintain critical water supplies, both for health and safety purposes and firefighting, produced at the District’s two water treatment plants located in Pollock Pines. Water that is treated at such plants is delivered throughout the service area through to El Dorado Hills.

The District is actively working to recover from the impacts of the Caldor Fire. There can be no assurance that additional fires will not occur within the boundaries of, or adjacent to, the District in the future, leading to damage to District infrastructure decreased usage of the District’s Water System and Wastewater System, decreased ability to generate hydropower, and a decline in Net Revenues. The District carries property insurance for fire damage.

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%. Although the District maintained adequate water supplies during such period to serve customers at historic levels, such restrictions nevertheless applied to the District, as described under the caption “THE WATER SYSTEM OF THE DISTRICT—Response to Weather Conditions.” Although most of such mandatory water reductions have since been lifted, the State has since enacted permanent restrictions on water usage. There can be no assurance that current and future drought conditions will not lead to decreased usage of the District’s Water System, or that the State’s permanent water usage restrictions will not lead to decreased usage of the District’s Water System.

Climate Change. Climate change caused by human activities may have adverse effects on the District’s Water System and Wastewater 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. Although the District has not adopted climate action plan, the District considers the potential effects of climate change in its planning. In 2008, the District adopted a Drought Preparedness Plan (the “Drought Plan”) that considered the potential effects of climate change on future water supplies and operations. The Drought Plan, along with the accompanying 2014 Drought Action Plan adopted by the District and subsequently updated in 2021, are utilized in both long-term planning efforts as well as drought response during periods of low water yield.

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 and Wastewater 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

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, the California Department of Water Resources ("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. Each GSA was tasked with submitting a groundwater sustainability plan for DWR's approval by January 31, 2020. Alternatively, groundwater producers were required to submit a groundwater management plan under Part 2.75 of the California Water Code or an analysis for DWR's review demonstrating that a groundwater basin has operated within its sustainable yield for at least 10 years by January 31, 2017, with updates every five years thereafter.

Although the District's does not currently pump groundwater as a source of water supply and is therefore not subject to SGMA reporting requirements, there can be no assurance that the implementation of SGMA, or similar additional State legislation enacted in the future, would not affect the District's operations. For example, neighboring water purveyors diverting from Folsom Reservoir and other Central Valley Project facilities that also utilize groundwater to meet portions of their water supply needs could find themselves more reliant upon surface water supplies following implementation of SGMA. This, in turn, could result in increased demand of water from Folsom Reservoir and other Central Valley Project supplies, which may affect the reliability of District supplies from this point of diversion. Similarly, a net increase in surface water supplies could result in more frequent and significant regulatory constraints imposed by the SWRCB to ensure all beneficial uses of the State's water supplies are met, including minimum instream flows that could contribute toward recharge of the aquifers and sustainable groundwater management.

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 opinion to be delivered by Bond Counsel and concurrently with the issuance of the 2022A Bonds will be subject to such limitations and the various other legal opinions to be delivered concurrently with the execution and delivery of the 2022A Bonds will be similarly qualified. See Appendix C. In the event that the District fails to comply with its covenants under the Indenture or fails to pay the 2022A Bonds, there can be no assurance of the availability of remedies adequate to protect the interest of the Owners of the 2022A Bonds.

Limited Obligations

The 2022A Bonds are limited obligations of the District payable solely from Net Revenues and secured solely by the Revenues pledged in the Indenture, as applicable. If for any reason, the District does not collect sufficient Revenues to pay the 2022A 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 Indenture to pay the 2022A Bonds.

Statutory and Regulatory Compliance

Laws and regulations governing treatment and delivery of water and the treatment and disposal of wastewater 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.

Claims against the Water System or the Wastewater System for failure to comply with applicable laws and regulations could be significant. Such claims may be payable from assets of the Water System or the Wastewater System and constitute Operation and Maintenance Costs or from other legally available sources. In addition to claims by private parties, changes in the scope and standards for municipal water and wastewater 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 the 2022A Bonds.

Senior Obligations

The District has Senior Bonds and Senior Contracts outstanding which are secured by Revenues senior to the 2022A Bonds. The District may issue additional Senior Bonds and enter into Senior Contracts, subject to the terms and conditions set forth in the existing Senior Bonds and Senior Contracts. The issuance of additional Senior Bonds or the execution of additional Senior Contracts could result in reduced Net Revenues available to pay the 2022A Bonds. The District has covenanted to use its best efforts to set rates and charges for Water Service and Wastewater Service, respectively, to maintain coverage of at least 100% of Debt Service allocable to the Water System and Wastewater System, respectively, as further described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS—Additional Indebtedness.”

Parity Obligations

The Indenture permits the District to issue Bonds and enter into Contracts payable from Net Revenues on a parity with the 2022A Bonds, subject to the 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 2022A Bonds. The District has covenanted to use its best efforts to set rates and charges for Water Service and Wastewater Service, respectively, to maintain coverage of at least 100% of Debt Service allocable to the Water System and Wastewater System, respectively, as further described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS—Additional Contracts and Bonds.”

Secondary Market

There can be no guarantee that there will be a secondary market for the 2022A Bonds or, if a secondary market exists, that any 2022A Bonds 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 firewalls, anti-virus software, anti-spam/malware software, intrusion protection and domain name system filtering software. The District regularly analyzes the network construct for potential weaknesses in cyber security 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 computer operating systems resulting in a data breach. Staff is regularly trained to spot potential scams or inconsistencies in network performance which may indicate system vulnerability. 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.

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 or wastewater service. The District will covenant in the Indenture 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 2022A Bonds, in each Fiscal Year, as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS —Rate Covenants."

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 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 specifically disapproved the holding in *Howard Jarvis Taxpayers Association v. City of Los Angeles* that metered water rates are not subject to Proposition 218.

The District has complied with the notice, hearing and protest procedures in Article XIII D with respect to water and wastewater increases, as further explained by the State Supreme Court decision in the *Bighorn Case*, since 2004.

On April 20, 2015, the California Court of Appeal, Fourth District, issued an opinion in *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano*, 235 Cal. App. 4th 1493 (2015) (the “*SJC Case*”). In this case, the court upheld 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 does not currently expect the decision in the *SJC Case* 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 rate increases will comply with the Initiative.

Article XIII C. Article XIII C 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 XIII C does not define the terms “local tax,” “assessment,” “fee” or “charge,” so it was unclear whether the definitions set forth in Article XIII D referred to above are applicable to Article XIII C. Moreover, the provisions of Article XIII C are not expressly limited to local taxes, assessments, fees and charges imposed after November 6, 1996. On July 24, 2006, the State Supreme Court held in the *Bighorn* Case that the provisions of Article XIII C 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 XIII C 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 2022A Bonds. Remedies available to beneficial owners of the 2022A 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 2022A Bonds and the Indenture 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 opinion of Bond Counsel (the form of which is attached as Appendix C), will be similarly qualified.

The District believes that its current water and wastewater rates and other property-related charges comply with the requirements of Proposition 218 and expects that any future water and wastewater 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 XIII C of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity. The District does not believe that the enactment of Proposition 26 will affect its ability to levy rates and charges for Water Service or Wastewater Service.

Future Initiatives

Articles XIII B, XIII C and XIII D 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.

CERTAIN LEGAL MATTERS

Bond Counsel will render an opinion with respect to the 2022A Bonds substantially in the form set forth in Appendix C hereto. Copies of such opinion will be furnished to the Underwriter at the time of initial delivery of the 2022A Bonds.

Certain legal matters will be passed upon for the District by General Counsel to the District, 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 2022A Bonds.

Bond Counsel expresses no opinion to the owners of the 2022A Bonds as to the accuracy, completeness or fairness of this Official Statement or other offering materials relating to the 2022A Bonds and expressly disclaims any duty to advise the Owners of the 2022A 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 2022A Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation represents the Underwriter from time-to-time on other financings and matters unrelated to the District or the 2022A Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation does not represent the Underwriter or any other party with respect to the issuance of the 2022A Bonds other than the District.

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 2022A Bonds, the application of the proceeds thereof in accordance with the Indenture, or in any way contesting or affecting the validity or enforceability of the Indenture, the 2022A 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 2022A 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.

Except as discussed in this Official Statement, there are no pending suits contesting or affecting the collection of the District Revenues or which would have a material adverse effect on the District's Water System or the District's Wastewater System, the financial condition of the District, including the ability of the District to pay principal of and interest on the 2022A Bonds.

TAX MATTERS

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the 2022A Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code, as amended, but is exempt from State of California personal income tax.

The difference between the issue price of a 2022A Bond (the first price at which a substantial amount of the 2022A Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such 2022A Bond constitutes original issue discount. Original issue discount accrues

under a constant yield method. The amount of original issue discount deemed received by the 2022A Bond Owner will increase the 2022A Bond Owner's basis in the 2022A Bond.

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 2022A Bond premium, which a 2022A Bond Owner may elect to amortize under Section 171 of the Code; such amortizable 2022A Bond premium reduces the 2022A Bond Owner's basis in the applicable 2022A 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 2022A 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 2022A Bond premium.

In the event of a legal defeasance of a 2022A Bond, such 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 2022A Bond Owner generally equal to the difference between the amount deemed realized from the deemed redemption and reissuance and the 2022A Bond Owner's adjusted tax basis in such bond.

The federal tax and State of California personal income tax discussion set forth above is included for general information only and may not be applicable depending upon an owner's particular situation. The ownership and disposal of the 2022A Bonds and the accrual or receipt of interest (and original issue discount) with respect to 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.

MUNICIPAL ADVISOR

The District has retained Fieldman, Rolapp & Associates, Inc., Irvine, California (the "Municipal Advisor") as Municipal Advisor in connection with the issuance the 2022A 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 2022A 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 2022A Bonds the rating of "___" (___ outlook). There is no assurance that the credit rating given to the 2022A Bonds will be maintained for any period of time or that the rating 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 rating may have an adverse effect on the market price of the 2022A Bonds. Such rating reflects only the views of S&P and an explanation of the significance of such rating 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 the rating on the 2022A 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 Indenture. 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 Indenture, the availability of particular revenues for the payment of Debt Service or for any other purpose.

The District has covenanted in a Continuing Disclosure Certificate for the 2022A Bonds to file on EMMA, notices of any ratings changes on the 2022A Bonds. See the caption “CONTINUING DISCLOSURE UNDERTAKING” below and Appendix E. Notwithstanding such covenant, information relating to ratings changes on the 2022A 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 are directed to the ratings agencies and their respective websites and official media outlets for the most current ratings changes with the 2022A Bonds after the initial issuance of the 2022A Bonds.

UNDERWRITING

The 2022A Bonds will be purchased by Citigroup Global Markets Inc. (the “Underwriter”) pursuant to a purchase contract, dated _____, 2022 (the “Purchase Contract”), by and between the District and the Underwriter. Under the Purchase Contract, the Underwriter has agreed to purchase all, but not less than all, of the 2022A Bonds for an aggregate purchase price of \$ _____ (representing the principal amount of the 2022A Bonds less an Underwriter’s discount of \$ _____). The Purchase Contract 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.

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 2022A Bonds to certain dealers (including dealers depositing 2022A Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

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 a Continuing Disclosure Certificate for the benefit of the holders and beneficial owners of the 2022A 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 2021) (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 are set forth in Appendix E—“FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE 2022A BONDS.”

This covenant has 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.

Over the past five years, the District has been subject to obligations under various continuing disclosure certificates, including but not limited to the Revenue Certificates of Participation, Series 2009A, the Refunding Revenue Certificates of Participation, Series 2010A, the 2012A Bonds, the 2012B Bonds, the 2014A Bonds, the Refunding Revenue Bond, Series 2016A, the Revenue Certificates of Participation, Series 2016B, the 2016C Bonds, the Revenue Certificates of Participation, Series 2020A, the Refunding Revenue Bonds, Series 2020B, Refunding Revenue Bonds Taxable Series 2020C and Refunding Revenue Bonds, Taxable Series 2020zD (collectively, the “Prior Continuing Disclosure Undertakings”). Pursuant to the Prior Continuing Disclosure Undertakings, the District agreed to file its audited financial reports, certain operating data with respect to the Water System, Wastewater System and Recycled Water System, as well as notices of certain enumerated events.

[In several instances the District failed to file or failed to timely file notices of rating changes as required by its Prior Continuing Disclosure Undertakings. On May 17, 2016, the District filed a supplemental filing detailing such rating changes.]

Other than as described in the previous paragraph, the District has not failed to comply with the terms of the Prior Continuing Disclosure Undertakings 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.

The execution and delivery of this Official Statement have been duly authorized by the District.

EL DORADO IRRIGATION DISTRICT

By: _____
President, Board of Directors

APPENDIX A

**EL DORADO IRRIGATION DISTRICT ANNUAL COMPREHENSIVE FINANCIAL REPORT AND
COMPLIANCE REPORT**

APPENDIX B

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS WITH RESPECT TO THE 2022A BONDS

APPENDIX C

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

El Dorado Irrigation District
2890 Mosquito Road
Placerville, California 95667

Re: El Dorado Irrigation District Refunding Revenue Bonds, Taxable Series 2022A

Members of the Board of Directors:

We have examined a certified copy of the record of the proceedings of the El Dorado Irrigation District (the “District”) relative to the issuance of the \$ _____ El Dorado Irrigation District Refunding Revenue Bonds, Taxable Series 2022A (the “2022A Bonds”), dated the date hereof, and such other information and documents as we consider necessary to render this opinion.

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 at the rates per annum referenced in the Indenture. The 2022A Bonds are registered in the form set forth in the Indenture.

In connection with our representation we have examined a certified copy of the proceedings relating to the 2022A Bonds. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigations.

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 a debt of the District, or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limit or restriction, and does not constitute an obligation 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.

3. Interest on the 2022A Bonds is exempt from State of California personal income tax.

5. The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which may at the election of Owners of the 2022A Bonds be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"). Such amortizable bond premium reduces the Owner's basis in the applicable 2022A 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 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.

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 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.

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 2022A Bonds or the 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 accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on any assets thereunder.

We are admitted to the practice of law only in the State of California and 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 D

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 2022A 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 2022A Bond 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 2022A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 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 E

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE 2022A BONDS

EXHIBIT B

GOOD FAITH ESTIMATES (2022 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 April 1, 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 2022 Bonds is estimated at 4.06%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- (b) The finance charge of the 2022 Bonds, including all fees and charges paid to third parties, is estimated at \$444,990.
- (c) Proceeds of the 2022 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 2022 Bonds (if any), is equal to \$71,630,010.
- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$101,273,306.

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.



Authorization to Approve the Preliminary Official Statement Refunding Revenue Bonds Series 2022A

**El Dorado Irrigation District
April 11, 2022**



Previous Board Actions

- March 14, 2022 – Board adopted resolution No. 2022-007 authorizing the issuance of refunding revenue bonds Series 2022A for a not to exceed \$80 million aggregate principle amount and directed staff to establish a cash flow savings reserve fund for payment of future unfunded actuarial liabilities or for retiring debt early.



Summary of Issue—2022A Refunding Revenue Bonds



- Debt issue used to fund:
 - Make contributions to PERS to fund pension benefits for certain District employees
 - Pay down the accrued unfunded actuarial liability (UAL) with respect to such pension benefits
 - Appropriate funds for the foregoing purposes






Summary of Issue—2022A Refunding Revenue Bonds



■ Current conditions indicate:

- Taxable market interest rate as of April 1, 2022
 - About 4.06% for similarly rated entities
 - Positive annual cash flow savings of \$0.46 million to \$1.2 million
 - Total cash flow savings of approximately \$20.1 million
 - NPV savings of approximately \$13.8 million (approximately 19% NPV savings)
 - Structure maturities over same life of UAL pay down
- 




Staff Analysis—2022A

Refunding Revenue Bonds



■ Current considerations

- Issue not to exceed \$80 million
 - Will fund amortization costs of pension benefits
 - Due to market conditions staff and the financing team have accelerated the bond schedule by one month to allow flexibility in timing of the transaction
- 

2022A Refunding Revenue Bonds

- Documents
 - Preliminary Official Statement
 - Good Faith Estimates



2022A Refunding Revenue Bonds



Preliminary Official Statement

Describes all relevant details of the participants, the issue, pledged water and wastewater revenues, outstanding debt of the District, and purpose of the issue and is subject to federal securities law

Good Faith Estimates

Represents the estimated financial outcome of the transaction including estimates of True Interest Cost (TIC), transaction fees paid to 3rd parties, net proceeds of the transaction and total debt payments under the contract

2022A Refunding Revenue Bonds

■ District resolution

- Approves the Preliminary Official Statement and the Good Faith Estimates
- Authorizes the selection of a municipal bond insurer to insure payments on the bonds, if economic
- Authorizes execution and delivery of documents





Remaining Tasks

- Approve and print preliminary official statement
- Obtain bids from Bond Insurers
- Price bonds and sign purchase contract
- Print official statement
- Pre-close/Close bonds and deliver funds



Board options

- Option 1: Adopt a resolution approving the Preliminary Official Statement related to the issuance of the 2022A refunding revenue bonds and certain other matters.
- Option 2: Take other action as directed by the Board.
- Option 3: Take no action.



Recommendation

- Option 1





El Dorado Irrigation District