



AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS
District Board Room, 2890 Mosquito Road, Placerville, California
September 23, 2024 — 9:00 A.M.

Board of Directors

Alan Day—Division 5
President

Pat Dwyer—Division 2
Vice President

George Osborne—Division 1
Director

Brian K. Veerkamp—Division 3
Director

Lori Anzini—Division 4
Director

Executive Staff

Jim Abercrombie
General Manager

Brian D. Poulsen
General Counsel

Jennifer Sullivan
Clerk to the Board

Jesse Saich
Communications

Brian Mueller
Engineering

Jamie Bandy
Finance

Jose Perez
Human Resources

Aaron Kennedy
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.

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

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CALL TO ORDER

Roll Call
Pledge of Allegiance
Moment of Silence

ADOPT AGENDA

COMMUNICATIONS

General Manager's Employee Recognition

PUBLIC COMMENT

COMMUNICATIONS

General Manager

Brief reports on District activities or items of interest to the public, including activities or developments that occur after the Agenda is posted.

Clerk to the Board

Board of Directors

Brief reports on community activities, meetings, conferences, and seminars attended by the Directors that are of interest to the District and the public.

APPROVE CONSENT CALENDAR

Action on items pulled from the Consent Calendar

CONSENT CALENDAR

1. Clerk to the Board (Sullivan)

Consider approving the minutes of the September 9, 2024, regular meeting of the Board of Directors.

Option 1: Approve as submitted.

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

Option 3: Take no action.

Recommended Action: Option 1.

2. Operations (Leanos)

Consider authorizing additional funding in the amounts of \$85,000 for equipment purchase, \$25,000 for capitalized labor, and \$11,000 in contingency for a total funding request of \$121,000 for the Reservoir A Uninterruptable Power Supply Integration Project, Project 24042.01.

Option 1: Authorize additional funding in the amounts of \$85,000 for equipment purchase, \$25,000 for capitalized labor, and \$11,000 in contingency for a total funding request of \$121,000 for the Reservoir A Uninterruptable Power Supply Integration Project, Project 24042.01.

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

Option 3: Take no action.

Recommended Action: Option 1.

END OF CONSENT CALENDAR

WORKSHOP ITEM

3. Engineering (Mueller)

2025-2029 Capital Improvement Plan Workshop.

Recommended Action: None – Information only.

PUBLIC HEARING

4. Engineering (Mueller)

Consider adopting a resolution to approve the facility capacity charges recommended by the 2024 Facility Capacity Charges Update Study.

Option 1: Adopt a resolution to approve the facility capacity charges recommended by the 2024 Facility Capacity Charges Update Study.

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

Option 3: Take no action.

Recommended Action: Option 1.

ACTION ITEMS

5. Finance (Cason)

Consider ratifying EID General Warrant Registers for the periods ending September 3 and September 10, 2024, and Employee Expense Reimbursements for these periods.

Option 1: Ratify the EID General Warrant Registers and Employee Expense Reimbursements as submitted.

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

Option 3: Take no action.

Recommended Action: Option 1.

6. Finance (Bandy)

Consider adopting a resolution authorizing the issuance of not to exceed \$75,000,000 aggregate principal amount of revenue certificates of participation and approving the execution and delivery of certain documents in connection therewith and certain other matters.

Option 1: Adopt a resolution authorizing the issuance of not to exceed \$75,000,000 aggregate principal amount of revenue certificates of participation and approving the execution and delivery of certain documents in connection therewith and certain other matters.

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

Option 3: Take no action.

Recommended Action: Option 1.

7. Operations (Wilson)

Consider awarding a contract to DXP Enterprises Inc. in the not-to-exceed amount of \$539,289 for the purchase of a raw water pump and authorize funding of \$539,289 for the El Dorado Hills Raw Water Pump Station A-Side Pump Project, Project No. 24049.01.

Option 1: Award a contract to DXP Enterprises Inc. in the not-to-exceed amount of \$539,289 for the purchase of a raw water pump and authorize funding of \$539,289 for the El Dorado Hills Raw Water Pump Station A-Side Pump Project, Project No. 24049.01.

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

Option 3: Take no action.

Recommended Action: Option 1.

CLOSED SESSION

A. Conference with Labor Negotiators (Poulsen)

Government Code Section 54957.6

Agency Designated Representatives: Abercrombie, Poulsen, Leeper, Perez, Bandy, Corcoran Vinton and Hughes

Employee Organizations: El Dorado Irrigation District Managers and Supervisors Association; Association of El Dorado Irrigation District Employees

B. Conference with General Counsel – Anticipated Litigation (Poulsen)

Government Code Section 54956.9(d)(4)

(one potential case: potential initiation of litigation)

REVIEW OF ASSIGNMENTS

ADJOURNMENT

TENTATIVELY SCHEDULED ITEMS FOR FUTURE MEETINGS

Engineering

- 2025-2029 Capital Improvement Plan adoption, Action, October 15 (Mueller)
- Stonebriar Lift Station Cost Share Agreement, Action, October 15 (Brink)
- Deer Creek Wastewater Treatment Plant headworks screen purchase, Action, October 15 (Carrington)
- Silver Lake Dam Replacement design services contract amendment, Action, October 15 (Kessler)

Finance

- 2025–2026 Operating Budget and 2025–2029 Financial Plan, Workshop, October 15 (Bandy)

Information Technology

- Security Systems Replacement Project Phase 1 contract and Capital Improvement Plan funding request, Consent, October 15 (Kennedy)

Office of the General Counsel

- Easement Quitclaim Assessor Parcel No. 126-680-007, Consent, October 15 (Sarge)
- Approve a Purchase and Sale Agreement with the Friends of Hidden Lake for Assessor Parcel Nos. 105-210-021 and 105-210-030, Consent, October 15 (Poulsen)

Operations

- El Dorado Hills Water Treatment Plant variable frequency drive replacement purchase, Consent, October 15 (Wilson)
- Reservoir A Water Treatment Plant operations trailer replacement, Consent, October 15 (Wilson)



MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
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Board of Directors

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President

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Vice President

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CALL TO ORDER

President Day called the meeting to order at 9:00 A.M.

Roll Call

Board

Present: Directors Osborne, Dwyer, Anzini, and Day

Absent: Director Veerkamp

Staff

Present: General Manager Abercrombie, General Counsel Poulsen, and Board Clerk Sullivan

Pledge of Allegiance and Moment of Silence

Director Day led the Pledge of Allegiance.

ADOPT AGENDA

ACTION: Agenda was adopted.

MOTION PASSED

Ayes: Directors Anzini, Dwyer, Osborne, and Day

Absent: Director Veerkamp

COMMUNICATIONS

Awards and Recognitions

General Manager Abercrombie recognized EID staff Seth Borba, Chief Construction and Maintenance Worker.

PUBLIC COMMENT

None

COMMUNICATIONS

General Manager

None

Clerk to the Board

None

Board of Directors

None

APPROVE CONSENT CALENDAR

ACTION: Consent Calendar was approved.

MOTION PASSED

Ayes: Directors Osborne, Anzini, Dwyer, and Day

Absent: Director Veerkamp

CONSENT CALENDAR

1. Clerk to the Board (Sullivan)

Consider approving the minutes of the August 26, 2024, regular meeting of the Board of Directors.

ACTION: Option 1: Approved as submitted.

MOTION PASSED

Ayes: Directors Osborne, Anzini, Dwyer, and Day

Absent: Director Veerkamp

2. Human Resources (Calvert/Vinton)

Consider adopting the revised pay schedule for the Association of El Dorado Irrigation District Employees.

ACTION: Option 1: Adopted the revised pay schedule for the Association of El Dorado Irrigation District Employees.

MOTION PASSED

Ayes: Directors Osborne, Anzini, Dwyer, and Day

Absent: Director Veerkamp

3. Finance (Royal)

Consider awarding a contract to Bay City Electric Works in the not-to-exceed amount of \$175,974 to repair one emergency backup generator at the Deer Creek Wastewater Treatment Plant.

ACTION: Option 1: Awarded a contract to Bay City Electric Works in the not-to-exceed amount of \$175,974 to repair one emergency backup generator at the Deer Creek Wastewater Treatment Plant.

MOTION PASSED

Ayes: Directors Osborne, Anzini, Dwyer, and Day

Absent: Director Veerkamp

END OF CONSENT CALENDAR

INFORMATION ITEM

4. Engineering (Deason)

Summary of grant awards and pursuits.

ACTION: None – Information only.

ACTION ITEMS

5. Finance (Bandy)

Consider ratifying EID General Warrant Registers for the periods ending August 20 and August 27, 2024, and Employee Expense Reimbursements for these periods.

ACTION: Option 1: Ratified the EID General Warrant Registers and Board and Employee Expense Reimbursements as submitted.

MOTION PASSED

Ayes: Directors Dwyer, Anzini, Osborne, and Day

Absent: Director Veerkamp

6. Engineering (Kessler)

Consider authorizing additional funding in the amounts of \$52,991 for design of hydraulic control equipment and as-built documentation of electrical upgrades, \$27,000 for capitalized labor for electrical equipment installation and project management, and \$10,000 in contingency for a total funding request of \$89,991 for the Sly Park Outlet Control Improvements, Project No. 23051.

ACTION: Option 1: Authorized additional funding in the amounts of \$52,991 for design of hydraulic control equipment and as-built documentation of electrical upgrades, \$27,000 for capitalized labor for electrical equipment installation and project management, and \$10,000 in contingency for a total funding request of \$89,991 for the Sly Park Outlet Control Improvements, Project No. 23051.

MOTION PASSED

Ayes: Directors Day, Dwyer, Osborne, and Anzini

Absent: Director Veerkamp

CLOSED SESSION

A. Conference with Labor Negotiators (Poulsen)

Government Code Section 54957.6

Agency Designated Representatives: Abercrombie, Poulsen, Leeper, Perez, Bandy, Corcoran and Vinton

Proposed Additional Agency Designated Representatives: Jack Hughes

Employee Organizations: El Dorado Irrigation District Managers and Supervisors Association; Association of El Dorado Irrigation District Employees

ACTION: Prior to recessing to closed session, the Board, on a motion by Director Anzini, seconded by Director Dwyer and passed on a 4 to 0 vote, appointed Jack Hughes, Liebert Cassidy Whitmore as an additional agency designated representative.

ACTION: Board met with its negotiators and provided direction but took no reportable action.

Closed Session Items continued

B. Conference with Real Property Negotiators (Poulsen)

Government Code Section 54956.8

Property: Assesor Parcel Nos. 105-210-030, 105-210-021

District negotiators: General Manager, General Counsel, Senior Deputy General Counsel

Under negotiation: Terms and conditions of sale

Negotiating parties: Friends of Hidden Lake

ACTION: Board consulted with Counsel and provided direction but took no reportable action.

REVIEW OF ASSIGNMENTS

None

ADJOURNMENT

President Day adjourned the meeting at 11:08 A.M.

Alan Day
Board President
EL DORADO IRRIGATION DISTRICT

ATTEST

Jennifer Sullivan
Clerk to the Board
EL DORADO IRRIGATION DISTRICT

Approved: _____

EL DORADO IRRIGATION DISTRICT

SUBJECT: Consider authorizing additional funding in the amounts of \$85,000 for equipment purchase, \$25,000 for capitalized labor, and \$11,000 in contingency for a total funding request of \$121,000 for the Reservoir A Uninterruptable Power Supply Integration Project, Project 24042.01.

PREVIOUS BOARD ACTION

October 23, 2023 – Board adopted the 2024-2028 Capital Improvement Plan (CIP), subject to available funding.

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

BP3010 Budget

SUMMARY OF ISSUE

Currently, the Sly Park Water Treatment Facility (Reservoir A) has mission-critical instrumentation located in the filter gallery that lacks an uninterruptable power supply (UPS). These instrumentation devices, along with the water supply pumps, need to continuously report data to the supervisory control and data acquisition (SCADA) servers to ensure safe drinking water during unexpected power outages.

BACKGROUND/DISCUSSION

Reservoir A is a critical year-round treatment plant that cannot be shut down for extended periods without causing significant service interruptions. Although Reservoir A has an onsite generator to provide emergency power during outages, there is a brief power interruption while the generator starts and switches from utility power. During this gap, the instrumentation that measures and reports water quality to the State loses power, resulting in potential data loss while the system reboots. This disruption can affect the treatment process and complicate the evaluation of real-time water quality assessments. This situation is further exacerbated if the generator fails to start, which has happened during a recent outage, leaving the instrumentation without power until a standby treatment plant operator can respond onsite.

Currently, a Tesla battery pack at this site is being utilized for power shaving to reduce energy costs. While the Tesla system can provide temporary backup power, it is not designed for reliable, extended backup during power outages. Its runtime is dependent on the power-shaving cycle, and if it depletes, the generator activates. If the generator fails, there is a risk of the site and instrumentation being left without power until an operator arrives.

The purpose of this proposed project is to install a UPS in the filter building to back up electrical panel "E," which supplies power to critical instrumentation not currently protected by battery backup. The UPS system would also support additional instrumentation planned for the Sly Park Intertie Project.

District staff consulted a design engineer to create electrical plans and specify a suitable UPS for this project. With funding approval for this project, District staff will use these plans to install the equipment in-house. This project is expected to take a few weeks to construct. The specified equipment has an eleven-week lead time.

FUNDING

This project was not included in the 2024-2028 CIP. However, due to the critical nature of the facility and recent power and/or equipment failures observed by staff, the General Manager authorized \$90,000 in initial CIP funding to conduct an evaluation of the facility and develop a constructible design. This project is funded entirely through water rates. Below is a breakdown of the funding requested for this project.

Table 1 - Funding Requirements

Equipment	\$85,000
Capitalized Labor	\$25,000
10% Contingency	\$11,000
Total CIP Funding Request	\$121,000

BOARD OPTIONS

Option 1: Authorize additional funding in the amounts of \$85,000 for equipment purchase, \$25,000 for capitalized labor, and \$11,000 in contingency for a total funding request of \$121,000 for the Reservoir A Uninterruptable Power Supply Integration Project, Project 24042.01.

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

Option 3: Take no action.

RECOMMENDATION

Option 1

ATTACHMENTS

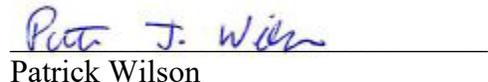
None



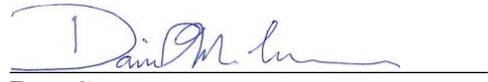
Jess Leanos
Electrical and Control Systems Supervisor



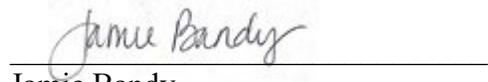
Cary Mutschler
Hydroelectric Manager



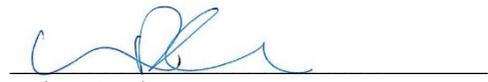
Patrick Wilson
Drinking Water Operations Manager



Dan Corcoran
Operations Director



Jamie Bandy
Finance Director



Brian Poulsen
General Counsel



Jim Abercrombie
General Manager

EL DORADO IRRIGATION DISTRICT

SUBJECT: 2025-2029 Capital Improvement Plan Workshop.

PREVIOUS BOARD ACTION

October 23, 2023 – Board adopted the 2024-2028 Capital Improvement Plan, subject to available funding.

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

BP 3010 Budget Development

SUMMARY OF ISSUE

This workshop will review the draft 2025-2029 Capital Improvement Plan (CIP) for Board and public input.

BACKGROUND/DISCUSSION

On October 23, 2023, the Board adopted the 2024-2028 CIP update. The five-year plan projected expenditures of \$321 million, with \$55 million in planned projects in 2024. The District completed a number of projects this past year and continued to advance many projects included in the CIP. These projects respond to mandated regulatory requirements, maintain and improve service reliability, and/or protect public health and safety.

Completed or Substantially Complete

- Echo Conduit emergency replacement
- Kyburz Diversion Dam facility upgrades
- Sly Park day use area stabilization
- Reservoir A water treatment plant filter valves replacement
- Forebay Road and Drop Off Road water line replacement
- El Dorado Hills water treatment plant (EDHWTP) clarifier rehabilitation and clearwell pump replacement
- Water Treatment Plant condition assessments
- Water and Recycled Water Master Plan
- Motherlode force main replacement
- Marina Village emergency culvert repairs
- El Dorado Hills wastewater treatment plant (EDHWWTP) Filters 5 and 6 rehabilitation
- EDHWWTP Secondary Effluent pump station modifications
- Headquarters Roof replacement

Projects Under Construction

- Flume 47A replacement
- Silver Lake East campground water system
- Sly Park Intertie Improvements
- Reservoir 1 water treatment plant generator replacement
- Water and wastewater facility backup generators
- Bass Lake tanks recoating and structural rehabilitation
- Collection System Programmable Logic Controller upgrades

Ongoing Projects and Initiatives

- Flume 45 Section 3 replacement design
- Flume 48 replacement design
- Silver Lake Dam design
- Powerhouse fiber communication improvements
- Sly Park outlet control facility improvements
- Reservoir 4 and 7A rehab
- Bridlewood Tank rehab
- Reservoir 1 and Pollock Pines reservoir replacement design
- Water Right Permit 21112 change petition
- Strolling Hills pipeline improvements
- Collection system pipeline rehab
- Vehicle replacement program
- Hansen conversion
- Placerville Drive Hangtown Creek Bridge water line replacement

The 2025–2029 CIP Development

Staff updated the descriptions, funding status, and priority of ongoing and planned projects and developed new estimates of expenditures for the five-year planning period. District staff collaborate throughout the year to identify and prioritize the replacement needs of the District’s water supply, storage, conveyance systems, drinking water, wastewater treatment, collection systems, fleet, and business support systems that have reached the end of their service life. Prior to this workshop, staff identified the highest priority projects to maintain safe, reliable service for our customers and incorporated those projects in the proposed CIP.

The draft 2025-2029 CIP includes planned expenditures of approximately \$320 million with no overall increases from last year’s update, as summarized in the table below.

 2025-2029 CAPITAL IMPROVEMENT PLAN Draft September 23, 2024							FIVE-YEAR PLAN TOTAL
	2025 PLANNED	2026 PLANNED	2027 PLANNED	2028 PLANNED	2029 PLANNED		
FERC	\$809,671	\$1,134,191	\$1,035,682	\$312,292	\$313,950	\$3,605,785	
Water	\$50,377,968	\$30,542,483	\$40,329,667	\$37,708,279	\$35,980,815	\$194,939,212	
Wastewater	\$7,698,800	\$9,605,000	\$5,715,000	\$6,550,000	\$4,600,000	\$34,168,800	
Recycled Water	\$272,400	\$3,269,552	\$3,544,552	\$1,075,000	\$600,000	\$8,761,504	
Hydroelectric	\$4,702,914	\$4,690,000	\$39,707,500	\$14,310,000	\$1,400,000	\$64,810,414	
Recreation	\$100,000	\$65,000	\$170,000	\$165,000	\$245,000	\$745,000	
General District	\$4,350,000	\$2,530,000	\$2,295,000	\$1,784,000	\$1,762,000	\$12,721,000	
TOTAL	\$68,311,753	\$51,836,226	\$92,797,400	\$61,904,571	\$44,901,765	\$319,751,715	

In accordance with last year’s Cost of Service study and five-year financial plan, the draft CIP was developed with the goal to limit five-year expenditures to approximately \$275 million. Staff worked to fit planned CIP expenditures within the constraints of the financial plan. To accomplish this, staff needed to continue to defer and cut needed projects from the CIP. The initial draft CIP totaled approximately \$387 million, and staff proposed project deferrals that resulted in approximately \$67 million of cuts to reduce the five-year total to \$320 million. Staff also reviewed 2025 projects and expenditures to ensure the District can reasonably accomplish them from a project management resource standpoint.

Project deferrals and cuts carry risks that could impact service reliability in many areas. As discussed during the 2023 cost-of-service rate hearings, the consequences of project deferrals include potential emergency or unplanned projects, increased system outages, safety risks, and potential regulatory scrutiny. All of these consequences can lead to increased costs for the District.

Some of the more prominent project deferrals in this draft plan include cuts to key programs the Board had previously directed staff to increase allocation of resources due to inability to meet adequate service levels or key performance indicators, such as water storage tank rehabilitation/replacement, water line replacement, water service line replacement, and sewer lift station upgrades. For example, five-year expenditures for the water storage tank program were reduced from \$13 million to 8.7 million by removing the replacement of Reservoir 6, a steel tank that continues to operate with advanced corrosion. The service line replacement program was cut in half from \$15 million to \$7.7 million, which will result in more reactive service line replacement rather than proactive replacement. Many large expenditures at the Reservoir 1 water treatment plant have been deferred, given the need for major expenditures at the El Dorado Hills water treatment plant. Instead of new concrete storage tanks at Reservoir 1, temporary cover and liner replacement options with a potential baffling mechanism to meet chlorine contact time requirements may be analyzed to replace the failing floating cover unless grant funding becomes available. Other Reservoir 1 WTP improvements identified from the recent condition assessments may need to be deferred until additional funding is available. Each of these key treatment plant deferrals bears risk in meeting customer demand during peak demand periods and/or disruption of service from Reservoir A WTP. Only the highest priority water line replacement projects are included, and other needed water line projects have been deferred. While this list highlights significant risk-based deferrals in water projects, similar project deferrals were made throughout the CIP to meet financial plan expenditure levels. While this is not staff’s preferred approach, it presents the best risk balance given available funds.

Staff recognizes this is only a plan, and as discussed each year during the CIP Workshop, not all expenditures will be fully realized. Actual CIP expenditures typically range between 70% to 90% of what is planned. To ensure the CIP meets financial plan limitations, staff estimated that the larger projects identified for bond funding would be completed in full (100% expenditures), while the remaining projects would achieve 70% of planned expenditures. This resulted in the following estimated actual five-year expenditures for each utility:

(\$ millions)	2025	2026	2027	2028	2029	Total
Water Utility	\$53.8	\$31.6	\$77.4	\$50.3	\$36.5	\$249.7
Wastewater Utility	\$6.8	\$10.6	\$8.4	\$5.8	\$4.1	\$35.8

This plan, therefore, conforms to the financial plan’s expenditure limits, even with continuing project cost increases such as the Sly Park Intertie, EDHWTP improvements, and individual projects within the storage tank recoating and replacement program.

FUNDING

The District is undertaking a \$70 million bond issuance this year to fund some of the larger projects, including the Sly Park Intertie, EDHWTP improvements design, both of which have already been approved by the Board, and various storage tanks. The two other sources used to fund the CIP include rate revenue and Facility Capacity Charges collected from new development hookups.

BOARD OPTIONS

None – Information only

RECOMMENDATION

None – Information only

ATTACHMENTS

Attachment A: Draft 2025–2029 CIP Summary

Attachment B: Project summaries



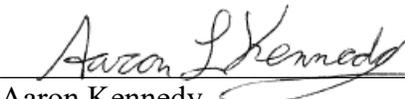
Brian Mueller
Engineering Director (Outgoing)



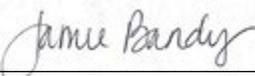
Jon Money
Engineering Director



Dan Corcoran
Operations Director



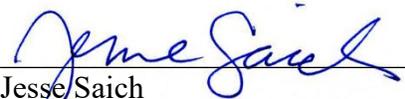
Aaron Kennedy
Information Technology Director



Jamie Bandy
Finance Director



Jose Perez
Human Resources Director



Jesse Saich
Communications and Media Relations Manager



Brian Poulsen
General Counsel



Jim Abercrombie
General Manager



2025-2029 CAPITAL IMPROVEMENT PLAN

Draft September 23, 2024

	2025 PLANNED	2026 PLANNED	2027 PLANNED	2028 PLANNED	2029 PLANNED	FIVE-YEAR PLAN TOTAL
FERC	\$809,671	\$1,134,191	\$1,035,682	\$312,292	\$313,950	\$3,605,785
Water	\$50,377,968	\$30,542,483	\$40,329,667	\$37,708,279	\$35,980,815	\$194,939,212
Wastewater	\$7,698,800	\$9,605,000	\$5,715,000	\$6,550,000	\$4,600,000	\$34,168,800
Recycled Water	\$272,400	\$3,269,552	\$3,544,552	\$1,075,000	\$600,000	\$8,761,504
Hydroelectric	\$4,702,914	\$4,690,000	\$39,707,500	\$14,310,000	\$1,400,000	\$64,810,414
Recreation	\$100,000	\$65,000	\$170,000	\$165,000	\$245,000	\$745,000
General District	\$4,350,000	\$2,530,000	\$2,295,000	\$1,784,000	\$1,762,000	\$12,721,000
TOTAL	\$68,311,753	\$51,836,226	\$92,797,400	\$61,904,571	\$44,901,765	\$319,751,715

2024-2028 CAPITAL IMPROVEMENT PLAN

Approved October 23, 2023

	2024 PLANNED	2025 PLANNED	2026 PLANNED	2027 PLANNED	2028 PLANNED	FIVE-YEAR PLAN TOTAL
FERC	\$2,191,195	\$727,671	\$999,191	\$945,682	\$332,292	\$5,196,031
Water	\$26,871,587	\$27,794,723	\$32,166,360	\$49,361,209	\$48,829,612	\$185,023,491
Wastewater	\$11,050,000	\$7,775,000	\$11,500,000	\$6,525,000	\$4,925,000	\$41,775,000
Recycled Water	\$984,084	\$1,563,510	\$1,714,340	\$1,060,140	\$325,000	\$5,647,074
Hydroelectric	\$7,090,000	\$7,055,000	\$4,715,000	\$24,015,000	\$25,140,000	\$68,015,000
Recreation	\$230,000	\$245,000	\$50,000	\$160,000	\$240,000	\$925,000
General District	\$7,207,401	\$2,566,000	\$2,092,800	\$1,860,000	\$1,147,000	\$14,873,201
TOTAL	\$55,624,267	\$47,726,904	\$53,237,691	\$83,927,031	\$80,938,904	\$321,454,797



2025 - 2029 Capital Improvement Plan FERC Projects

PROJECT NO.	PROJECT DESCRIPTION	Program	PROJECT Ranking Level 1	2025 PLANNED	2026 PLANNED	2027 PLANNED	2028 PLANNED	2029 PLANNED	2025-2029 TOTAL
10007	FERC C51.1 and 51.2 RM Caples Auxiliary Dam and Boat Launch	FERC	1	40,000	40,000	40,000	40,000	40,000	200,000
06021H	FERC C37.8 Water Temperature	FERC	1	40,000	40,000	35,000	40,000	40,000	195,000
06076H	FERC C38.4b Caples Spillway Channel Stabilization	FERC	1	15,000	0	0	0	0	15,000
06086H	FERC C33 Lake Aloha Trout Removal	FERC	1	25,000	0	0	0	0	25,000
06089H	FERC: C37.3 Amphibian Monitoring	FERC	1	25,000	100,000	0	0	0	125,000
06095H	FERC: C54 Visual Resources Management Plan	FERC	1	5,000	0	0	0	0	5,000
06096H	FERC: C55 Heritage Resources	FERC	1	0	55,000	0	0	0	55,000
06097H	FERC: C59 Facility Management Plan	FERC	1	5,000	0	0	0	0	5,000
07005H	FERC: C51.3 RM Echo Trailhead	FERC	1	8,000	8,000	8,000	8,000	8,000	40,000
07006H	FERC: C51.5 and C51.7 RM USFS Payments	FERC	1	54,671	56,191	57,682	59,292	60,950	288,785
07010H	FERC: C15 Pesticide Use	FERC	1	80,000	80,000	80,000	80,000	80,000	400,000
07011H	FERC: C38 Adaptive Management Program	FERC	1	50,000	50,000	50,000	50,000	50,000	250,000
07030H	FERC: C57 Transportation System Management Plan	FERC	1	425,000	350,000	450,000	0	0	1,225,000
08025H	FERC C44 Noxious Weed Monitoring	FERC	1	35,000	35,000	50,000	35,000	35,000	190,000
06087H	FERC C37.1 Fish Monitoring	FERC	1	0	95,000	70,000	0	0	165,000
06088H	FERC: C37.2 Macroinvertebrate Monitoring	FERC	1	0	75,000	75,000	0	0	150,000
06090H	FERC: C37.4 Riparian Species Composition	FERC	1	0	35,000	0	0	0	35,000
06091H	FERC: C37.5 Riparian Vegetation Recruitment	FERC	1	0	35,000	0	0	0	35,000
06092H	FERC: C37.7 Geomorphology Evaluation	FERC	1	0	80,000	0	0	0	80,000
06098H	FERC: C46 thru C49 Recreation Resource Management	FERC	1	2,000	0	0	0	0	2,000
07003H	FERC: C37.9 Water Quality	FERC	1	0	0	120,000	0	0	120,000
TOTAL				809,671	1,134,191	1,035,682	312,292	313,950	3,605,785

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2025 - 2029 Capital Improvement Plan Water Projects

PROJECT NO.	PROJECT DESCRIPTION	PROGRAM	PRIORITY	2025 PLANNED	2026 PLANNED	2027 PLANNED	2028 PLANNED	2029 PLANNED	2025-2029 TOTAL
PLANNED	Water Arc Flash Risk Assessment Program	WA	1	75,000	75,000	75,000	75,000	75,000	375,000
PLANNED	Sly Park Spillway Improvements	WA	1	0	0	80,000	0	0	80,000
PLANNED	Pleasant Valley Road Bulk Water Station Upgrades	WA	1	0	70,000	125,000	0	0	195,000
24027	Placerville Drive Hangtown Creek Bridge Replacement	WA	1	30,000	980,000	120,000	0	0	1,130,000
17035	Green Valley Bridge Relocation	WA	1	750,000	0	0	0	0	750,000
21079	Sly Park Intertie Improvements	WA	1	28,000,000	12,549,274	0	0	0	40,549,274
23010	Res 1 Water Treatment Plant Generator Replacement	WA	1	408,461	0	0	0	0	408,461
17011	Crestview Pump Station Replacement Project	WA	2	65,000	300,000	0	0	0	365,000
21034	Braden Court Pressure Reducing Station #1 Replacement	WA	2	290,000	0	0	0	0	290,000
23009	Reservoir 1 Storage Replacement	WA	2	1,000,000	0	0	0	0	1,000,000
23025	Transmission Valve Upgrades	WA	2	550,000	0	0	0	0	550,000
23039	Reservoir 4 Re-Coating Project	WA	2	1,757,120	0	0	0	0	1,757,120
23040	Reservoir 7 Re-Coating Project	WA	2	6,791,304	0	0	0	0	6,791,304
23051	Sly Park Outlet Control Facility Improvements	WA	2	580,000	0	0	0	0	580,000
24011	EDH Water Treatment Plant Improvements	WA	2	3,833,333	3,593,000	30,679,667	30,679,667	30,679,667	99,465,333
24034	El Dorado Trail Pressure Reducing Station #1 Replacement	WA	2	50,000	0	0	0	0	50,000
24039.02	Res 1 Backwash Waste Pump Replacement	WA	2	500,000	0	0	0	0	500,000
24040.01	Res A Backwash-to-Waste Valve Replacement	WA	2	1,154,000	1,205,000	0	0	0	2,359,000
24041	EDMPRS Flow Meter Upgrade	WA	2	40,000	0	0	0	0	40,000
PLANNED	Reservoir A ATS Replacement	WA	2	100,000	400,000	0	0	0	500,000
PLANNED	Serviceline Replacement Program	WA	2	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	7,750,000
PLANNED	SCADA Water Hardware Replacement Program	WA	2	100,000	100,000	100,000	100,000	100,000	500,000
PLANNED	Monte Vista Upgrades	WA	2	0	100,000	0	0	0	100,000
PLANNED	EDM2 at Highway 193 Slope Stabilization	WA	2	0	600,000	0	0	0	600,000
PLANNED	Moosehall Transmission Stabilization	WA	2	0	75,000	300,000	0	0	375,000
PLANNED	Water Storage Tank Replacement & Rehabilitation Program	WA	2	0	2,760,209	1,200,000	3,198,612	1,596,148	8,754,969
PLANNED	Water Treatment Plant Asset Replacement Program	WA	2	600,000	600,000	600,000	600,000	600,000	3,000,000
PLANNED	Harris Road Waterline Replacement	WA	2	150,000	600,000	0	0	0	750,000
PLANNED	Reservoir A Solids Handling	WA	2	0	100,000	0	0	0	100,000
22019	Pleasant Oak Main Pressure Reducing Station #2 Upgrade	WA	2	500,000	0	0	0	0	500,000
23047	Rancho Del Sol Pressure Reducing Station	WA	2	0	100,000	300,000	0	0	400,000
24001	AMR and Small Meter Replacement	WA	2	360,000	400,000	400,000	425,000	425,000	2,010,000

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2025 - 2029 Capital Improvement Plan

Water Projects

24007	Construction Spoils Management	WA	2	25,000	0	0	0	0	25,000
24037.01	DSM PRS 22 Integration	WA	2	143,750	495,000	0	0	0	638,750
PLANNED	Wholesale Meter Replacement	WA	2	75,000	75,000	275,000	150,000	150,000	725,000
PLANNED	Res 1 Water Treatment Plant Improvements	WA	2	25,000	190,000	0	0	0	215,000
PLANNED	Valve Replacement Program	WA	2	0	100,000	125,000	125,000	150,000	500,000
PLANNED	Waterline Replacement Program	WA	2	0	2,025,000	3,000,000	205,000	205,000	5,435,000
PLANNED	Combellaack and Middletown Road Waterline Replacement	WA	2	0	50,000	150,000	0	0	200,000
21015	Swansboro Pump Station Replacement Project	WA	2	100,000	0	0	0	0	100,000
PLANNED	Shooting Star Waterline Extension	WA	2	0	100,000	0	0	0	100,000
PLANNED	Pressure Reducing Station Rehabilitation and Replacement Program	WA	2	250,000	1,000,000	500,000	0	0	1,750,000
PLANNED	Pump Station Rehabilitation and Replacement Program	WA	2	0	75,000	300,000	400,000	300,000	1,075,000
PLANNED	Water Treatment Plant Flow Meters Upgrade	WA	2	0	0	100,000	0	0	100,000
23046	Ridgeview Pump Station Rehabilitation	WA	2	0	100,000	0	0	0	100,000
16003	Permit 21112 Change in Point of Diversion	WA	2	200,000	50,000	50,000	0	0	300,000
PLANNED	Oak Ridge Pump Station 2	WA	2	0	0	200,000	100,000	0	300,000
PLANNED	Pleasant Oak Main / Diamond Springs Main Transmission Upgrades	WA	2	0	0	0	100,000	100,000	200,000
PLANNED	El Dorado Hills Raw Water Pump Station 4160 Enclosure	WA	3	0	25,000	0	0	0	25,000
19050	Construction Storage Facility	WA	3	200,000	0	0	0	0	200,000
24006	Water Model - Validation and Update	WA	3	125,000	0	50,000	0	50,000	225,000
PLANNED	Hydropneumatic Tank Assessment	WA	3	0	50,000	0	0	0	50,000
PLANNED	Reservoir A Filter Building Improvements	WA	3	0	50,000	50,000	0	0	100,000
Total			TOTAL:	50,377,968	30,542,483	40,329,667	37,708,279	35,980,815	194,939,212

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2025 - 2029 Capital Improvement Plan Wastewater Projects

PROJECT NO.	PROJECT DESCRIPTION	PROGRAM	PRIORITY	2025 PLANNED	2026 PLANNED	2027 PLANNED	2028 PLANNED	2029 PLANNED	2025-2029 TOTAL
PLANNED	Wastewater Arc Flash Risk Assessment Program	WW	1	75,000	75,000	75,000	75,000	75,000	375,000
PLANNED	Camino Heights Wastewater Treatment Plant Disposal Improvements	WW	1	0	0	0	150,000	200,000	350,000
17046	Strolling Hills Pipeline Improvements	WW	2	3,550,000	2,000,000	0	0	0	5,550,000
24016	Deer Creek WWTP Secondary Clarifier Upgrades	WW	2	150,000	1,500,000	0	0	0	1,650,000
24018	Summit Lift Station Roof Replacement	WW	2	79,800	0	0	0	0	79,800
24030.01	El Dorado Hills WWTP Headworks and Screening Upgrades	WW	2	0	210,000	2,000,000	2,000,000	0	4,210,000
PLANNED	Collections SCADA and PLC Upgrade Program	WW	2	350,000	350,000	0	0	0	700,000
PLANNED	Durock Road - Ponderosa Forcemain Improvements	WW	2	50,000	640,000	0	0	0	690,000
PLANNED	Marina Village No. 1 Lift Station VFD Upgrades	WW	2	125,000	250,000	0	0	0	375,000
PLANNED	SCADA Wastewater Hardware Replacement Program	WW	2	100,000	100,000	100,000	100,000	100,000	500,000
PLANNED	Wastewater Treatment Plant Assessments	WW	2	200,000	250,000	250,000	0	0	700,000
PLANNED	WWTP Solids Handling Replacement	WW	2	0	50,000	0	0	0	50,000
18003	Indian Creek Lift Station Upgrades	WW	2	0	2,530,000	0	0	0	2,530,000
21026	St. Andrews Lift Station Upgrades	WW	2	0	0	490,000	0	0	490,000
22021	Camino Heights SCADA Upgrade	WW	2	100,000	0	0	0	0	100,000
PLANNED	Ponderosa Heights Force Main Replacement	WW	2	0	0	250,000	750,000	750,000	1,750,000
PLANNED	Wastewater Asset Replacement Program	WW	2	300,000	300,000	300,000	300,000	300,000	1,500,000
PLANNED	Wastewater Lift Station Upgrade Program	WW	2	0	175,000	125,000	1,725,000	1,250,000	3,275,000
PLANNED	WWTP Process Improvement Program	WW	2	175,000	175,000	175,000	175,000	175,000	875,000
24012	El Dorado Hills Lift Station Consolidation	WW	2	114,000	0	0	0	0	114,000
PLANNED	Collections Pipeline Replacement and Rehabilitation Program	WW	2	0	425,000	1,000,000	425,000	1,000,000	2,850,000
PLANNED	DCWWTP PLC Replacement Program	WW	2	0	150,000	150,000	75,000	0	375,000
PLANNED	EDHWWTP SCADA Upgrade Project	WW	2	0	0	250,000	400,000	400,000	1,050,000
PLANNED	Marina Village No. 1 Force Main Replacement	WW	2	0	50,000	200,000	0	0	250,000
24008	2024 Collections Pipeline Replacement and Rehabilitation Project	WW	2	2,280,000	0	0	0	0	2,280,000
PLANNED	Camino Heights Wastewater Treatment Plant Erosion Repairs	WW	2	0	225,000	0	0	0	225,000
15036	Silva Valley - El Dorado Hills Sewer Pipeline	WW	2	0	150,000	300,000	300,000	0	750,000
PLANNED	Wastewater Collection System Hydraulic Modeling	WW	3	50,000	0	50,000	0	50,000	150,000
PLANNED	El Dorado Lift Station Site Improvements	WW	3	0	0	0	50,000	200,000	250,000
PLANNED	Promontory Village Inflow & Infiltration Study	WW	3	0	0	0	25,000	100,000	125,000
Total			TOTAL:	7,698,800	9,605,000	5,715,000	6,550,000	4,600,000	34,168,800

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2025 - 2029 Capital Improvement Plan Recycled Water Projects

PROJECT NO.	PROJECT DESCRIPTION	PROGRAM	PRIORITY	2025 PLANNED	2026 PLANNED	2027 PLANNED	2028 PLANNED	2029 PLANNED	2025-2029 TOTAL
PLANNED	Recycled Water Radio Path Design and Replacement	RW	2	75,000	0	0	0	0	75,000
24009.01	Bridlewood Tank Recoating	RW	2	122,400	3,019,552	3,019,552	0	0	6,161,504
PLANNED	Recycled Storage Tank Replacement & Rehabilitation Pr	RW	2	0	175,000	450,000	1,000,000	525,000	2,150,000
PLANNED	Recycled Water Asset Replacement Program	RW	2	75,000	75,000	75,000	75,000	75,000	375,000
Total			TOTAL:	272,400	3,269,552	3,544,552	1,075,000	600,000	8,761,504



2025 - 2029 Capital Improvement Plan Hydroelectric Projects

PROJECT NO.	PROJECT DESCRIPTION	PROGRAM	PRIORITY	2025 PLANNED	2026 PLANNED	2027 PLANNED	2028 PLANNED	2029 PLANNED	2025-2029 TOTAL
PLANNED	Hydro Arc Flash Risk Assessment Program	HY	1	65,000	50,000	0	50,000	50,000	215,000
19031	Silver Lake Dam Replacement	HY	1	1,300,000	800,000	35,200,000	12,600,000	100,000	50,000,000
22030	Flume 47A Replacement	HY	1	872,914	0	0	0	0	872,914
19021	Canal RTU Replacement Control Sites	HY	2	325,000	325,000	325,000	325,000	325,000	1,625,000
21003	Diversion Repeater Site	HY	2	175,000	0	0	0	0	175,000
21004	Powerhouse Fiber Communication Improvements	HY	2	620,000	0	0	0	0	620,000
22014	Flume 45 Section 3 Replacement	HY	2	121,000	1,280,000	1,182,500	0	0	2,583,500
PLANNED	Annual Canal and Flume Improvements Program	HY	2	425,000	425,000	425,000	425,000	425,000	2,125,000
PLANNED	Annual Reservoir and Dam Improvements Program	HY	2	160,000	50,000	50,000	50,000	50,000	360,000
PLANNED	Hydro Equipment and Facility Replacement Program	HY	2	75,000	75,000	75,000	75,000	75,000	375,000
PLANNED	Hydro Powerhouse Equipment and Facility Replacement	HY	2	75,000	75,000	75,000	75,000	75,000	375,000
18010	Penstock Improvements	HY	2	80,000	170,000	550,000	135,000	50,000	985,000
21016	Penstock Stabilization	HY	2	0	90,000	640,000	0	0	730,000
21028	Powerhouse Automation Replacement	HY	2	75,000	750,000	0	0	0	825,000
24017	Powerhouse Turbine Runner Upgrade	HY	2	0	0	50,000	150,000	0	200,000
PLANNED	Camp 5 Generator Replacement	HY	2	0	50,000	250,000	0	0	300,000
PLANNED	Ditch SCADA Hardware Replacement	HY	2	0	50,000	150,000	0	0	200,000
PLANNED	Flume 4 Replacement	HY	2	0	50,000	250,000	200,000	0	500,000
PLANNED	Spill 3 Crib Wall Replacement	HY	2	0	0	25,000	100,000	200,000	325,000
21013	Flumes 45A, 46A, and 47B Replacement	HY	2	0	0	60,000	0	0	60,000
23016	Camp 2 Structure	HY	2	0	0	0	75,000	0	75,000
17028	Flume 48 Replacement	HY	2	200,000	250,000	200,000	0	0	650,000
24004	Diversion - A11 Flow Control	HY	2	84,000	0	0	0	0	84,000
24033	Lakes Remote Telemetry Units Replacement	HY	2	50,000	0	0	0	0	50,000
PLANNED	Hydro Assessments	HY	3	0	200,000	200,000	0	0	400,000
21009	Diversion - Fish Ladder Improvements	HY	3	0	0	0	50,000	50,000	100,000
Total				4,702,914	4,690,000	39,707,500	14,310,000	1,400,000	64,810,414

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2025 - 2029 Capital Improvement Plan Recreation Projects

PROJECT NO.	PROJECT DESCRIPTION	PROGRAM	PRIORITY	2025 PLANNED	2026 PLANNED	2027 PLANNED	2028 PLANNED	2029 PLANNED	2025-2029 TOTAL
PLANNED	Recreation Facility Replacement Program	RE	2	100,000	65,000	125,000	65,000	125,000	480,000
PLANNED	Sly Park Recreation Area Facility Improvements	RE	3	0	0	45,000	100,000	120,000	265,000
TOTAL:				100,000	65,000	170,000	165,000	245,000	745,000

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2025-2029 Capital Improvement Plan General District

PROJECT NO.	PROJECT DESCRIPTION	PROGRAM	PRIORITY	2025 PLANNED	2026 PLANNED	2027 PLANNED	2028 PLANNED	2029 PLANNED	2025-2029 TOTAL
24028	New Security Systems	GD	1	515,000	371,000	385,000	400,000	400,000	2,071,000
PLANNED	Arc Flash Risk Assessment Program	GD	1	42,000	0	0	0	47,000	89,000
18055	Hansen 7 Software Replacement	GD	1	180,000	0	0	0	0	180,000
19029	Wyse Laptop Replacement	GD	2	100,000	0	0	0	0	100,000
23015	Remote Site Server Cabinet	GD	2	823,000	0	0	0	0	823,000
PLANNED	IT Network Infrastructure Replacement	GD	2	325,000	330,000	100,000	150,000	100,000	1,005,000
PLANNED	Vehicle Replacement Program	GD	2	1,325,000	1,379,000	1,275,000	805,000	740,000	5,524,000
24025	Headquarter Facility Improvements	GD	2	200,000	200,000	110,000	104,000	0	614,000
24046	Financial Software Replacement	GD	2	250,000	0	0	0	0	250,000
PLANNED	IT Communication Systems Replacement	GD	2	175,000	50,000	100,000	100,000	150,000	575,000
PLANNED	IT End-User Technology Replacement	GD	2	325,000	150,000	100,000	50,000	275,000	900,000
PLANNED	Security Equipment Reliability Program	GD	2	60,000	50,000	50,000	50,000	50,000	260,000
PLANNED	IT Business Systems Replacement	GD	2	30,000	0	25,000	50,000	0	105,000
PLANNED	SCADA Master Plan Implementation	GD	2	0	0	150,000	75,000	0	225,000
TOTAL:				4,350,000	2,530,000	2,295,000	1,784,000	1,762,000	12,721,000

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**FIVE YEAR
CAPITAL IMPROVEMENT PLAN
2025—2029 PROJECTS**

DRAFT

September 23, 2024

FERC Projects

2025

CAPITAL IMPROVEMENT PLAN

Program:

FERC

Project Number:

06021H

Project Name:

FERC C37.8 Water Temperature

Project Category:

Regulatory Requirements

Priority:

1

PM:

Deason

Board Approval:

Project Description:

Mandatory requirement of the FERC license. Funding is necessary to implement an annual water temperature monitoring program at project reservoirs and stream reaches. The data collected from this monitoring effort will be used to determine if the coldwater beneficial uses are being met in designated project reaches.

Basis for Priority:

If unfunded, EID would be out of compliance with the FERC license, Sections 7 and 12 of the Settlement Agreement, USFS 4(e) conditions 37 and 42, and SWRCB Water Quality Certification condition 14.

Project Financial Summary:			
Funded to Date:	\$ 421,500	Expenditures through end of year:	\$ 419,777
Spent to Date:	\$ 401,777	2025 - 2029 Planned Expenditures:	\$ 195,000
Cash flow through end of year:	\$ 18,000	Total Project Estimate:	\$ 614,777
Project Balance	\$ 1,723	Additional Funding Required	\$ 193,277

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Monitoring	\$30,000	\$30,000	\$25,000	\$30,000	\$30,000	\$ 145,000
Reporting	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
Staff Time	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
						\$ -
TOTAL	\$ 40,000	\$ 40,000	\$ 35,000	\$ 40,000	\$ 40,000	\$ 195,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$38,277
			\$0
			\$0
Total	100%		\$38,277

Funding Comments: Water temperature monitoring conducted in coordination with water quality monitoring every three years.

Project Number:

06076H

Project Name:

FERC C38.4b Caples Spillway Channel Stabilization

Project Category:

Regulatory Requirements

Priority:

1

PM:

Venable

Board Approval:

Project Description:

This Project is a mandatory requirement of the conditions of the FERC license. The District completed the installation of stabilization measures in the spillway channel in 2020. Post-project monitoring and maintenance of stabilization measures is required for 5-years following project construction to evaluate performance of stabilization measures.

Basis for Priority:

If unfunded, EID would be out of compliance with the FERC license, Section 8 of the Settlement Agreement, USFS 4(e) conditions 38.4b, and SWRCB Water Quality Certification condition 5.

Project Financial Summary:			
Funded to Date:	\$ 1,196,857	Expenditures through end of year:	\$ 1,138,497
Spent to Date:	\$ 1,123,497	2025 - 2029 Planned Expenditures:	\$ 15,000
Cash flow through end of year:	\$ 15,000	Total Project Estimate:	\$ 1,153,497
Project Balance	\$ 58,360	Additional Funding Required	\$ -

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Monitoring	\$ 10,000					\$ 10,000
Maintenance	\$ 5,000					\$ 5,000
TOTAL	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

FERC

Project Number: 06086H
Project Name: FERC C33 Lake Aloha Trout Removal
Project Category: Regulatory Requirements

Priority: 1 **PM:** Deason **Board Approval:**

Project Description:

Mandatory requirement of the FERC license. Funding only necessary in years when a spill occurs over the auxiliary dams at Lake Aloha. If spill occurs, EID is required to manually remove trout from the pools downstream of the auxiliary dams to help reduce potential impacts to Sierra Nevada yellow-legged frogs by trout predation.

Basis for Priority:

If unfunded, EID would be out of compliance with the FERC license, Section 7 of the Settlement Agreement, USFS 4(e) conditions 33, and SWRCB Water Quality Certification condition 4.

Project Financial Summary:			
Funded to Date:	\$ 92,000	Expenditures through end of year:	\$ 70,662
Spent to Date:	\$ 70,662	2025 - 2029 Planned Expenditures:	\$ 25,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 95,662
Project Balance	\$ 21,338	Additional Funding Required	\$ 3,662

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Monitoring	\$20,000					\$ 20,000
Reporting	\$5,000					\$ 5,000
						\$ -
TOTAL	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$3,662
			\$0
Total	100%		\$3,662

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

FERC

Project Number:

06087H

Project Name:

FERC C37.1 Fish Monitoring

Project Category:

Regulatory Requirements

Priority:

1

PM:

Deason

Board Approval:

Project Description:

Mandatory requirement of the FERC license. The objective of this monitoring effort is to evaluate the status of fish populations in selected stream reaches for comparison to the ecological resource objectives to help determine if ecological resource objectives are achievable and being met, as specified in the El Dorado Hydroelectric Project No. 184 Adaptive Management Program.

Basis for Priority:

If unfunded, EID would be out of compliance with the FERC license, Section 7 of the Settlement Agreement, USFS 4(e) conditions 37, and SWRCB Water Quality Certification condition 13.

Project Financial Summary:

Funded to Date:	\$ 359,200	Expenditures through end of year:	\$ 347,890
Spent to Date:	\$ 347,890	2025 - 2029 Planned Expenditures:	\$ 165,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 512,890
Project Balance	\$ 11,310	Additional Funding Required	\$ 153,690

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Monitoring		\$ 80,000	\$ 55,000			\$ 135,000
Staff time		\$ 15,000	\$ 15,000			\$ 30,000
						\$ -
TOTAL	\$ -	\$ 95,000	\$ 70,000	\$ -	\$ -	\$ 165,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments: Monitoring for hardhead required in 2026; monitoring for rainbow trout required in 2026 and 2027

2025

CAPITAL IMPROVEMENT PLAN Program:

FERC

Project Number: 06088H
 Project Name: FERC: C37.2 Macroinvertebrate Monitoring
 Project Category: Regulatory Requirements
 Priority: 1 PM: Deason Board Approval:

Project Description:

Mandatory requirement of the FERC license. The objective of this monitoring effort is to evaluate the status of macroinvertebrates in selected stream reaches for comparison to the ecological resource objectives to help determine if ecological resource objectives are achievable and being met, as specified in the El Dorado Hydroelectric Project No. 184 Adaptive Management Program.

Basis for Priority:

If unfunded, EID would be out of compliance with the FERC license, Section 7 of the Settlement Agreement, USFS 4(e) conditions 37, and SWRCB Water Quality Certification condition 13.

Project Financial Summary:			
Funded to Date:	\$ 279,000	Expenditures through end of year:	\$ 271,209
Spent to Date:	\$ 271,209	2025 - 2029 Planned Expenditures:	\$ 150,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 421,209
Project Balance	\$ 7,791	Additional Funding Required	\$ 142,209

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Monitoring		\$ 70,000	\$ 70,000			\$ 140,000
Staff time		\$ 5,000	\$ 5,000			\$ 10,000
						\$ -
						\$ -
TOTAL	\$ -	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ 150,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

Project Number: 06089H
Project Name: FERC: C37.3 Amphibian Monitoring
Project Category: Regulatory Requirements
Priority: 1 **PM:** Deason **Board Approval:**

Project Description:

Mandatory requirement of the FERC license. Amphibian surveys for Sierra Nevada yellow-legged frog (SNYLF) and foothill yellow-legged frog (FYLF) are also required every five years at project reservoirs and stream reaches as part of the El Dorado Hydroelectric Project No. 184 Adaptive Management Program. Amphibian surveys are also required June through September if at any time flows in the South Fork of the American River (SFAR) are 100 cfs or less and the diversion into the canal causes the flow in the SFAR to change 50 cfs or more in 1 day. The objective of these surveys is to assess the effects of flow fluctuations on foothill yellow-legged frog egg masses and tadpoles. Amphibian surveys are also required in years when a spill occurs over the auxiliary dams at Lake Aloha. If spill occurs, EID is required to survey for SNYLF in the pools downstream of the auxiliary dams.

Basis for Priority:

If unfunded, EID would be out of compliance with the FERC license, Section 7 of the Settlement Agreement, USFS 4(e) conditions 37, and SWRCB Water Quality Certification condition 13.

Project Financial Summary:			
Funded to Date:	\$ 403,648	Expenditures through end of year:	\$ 379,974
Spent to Date:	\$ 379,974	2025 - 2029 Planned Expenditures:	\$ 125,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 504,974
Project Balance	\$ 23,674	Additional Funding Required	\$ 101,326

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
FYLF/SNYLF monitoring		\$ 100,000				\$ 100,000
Staff time	\$ 10,000					\$ 10,000
SFAR flow fluctuations	\$ 10,000					\$ 10,000
Lake Aloha monitoring	\$ 5,000					\$ 5,000
						\$ -
TOTAL	\$ 25,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 125,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$1,326
			\$0
Total	100%		\$1,326

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

FERC

Project Number: 06090H
 Project Name: FERC: C37.4 Riparian Species Composition
 Project Category: Regulatory Requirements
 Priority: 1 PM: Deason Board Approval:

Project Description:

Mandatory requirement of the FERC license. The objective of this monitoring effort is to evaluate riparian species composition at selected stream reaches for comparison to the ecological resource objectives to help determine if ecological resource objectives are achievable and being met, as specified in the El Dorado Hydroelectric Project No. 184 Adaptive Management Program.

Basis for Priority:

If unfunded, EID would be out of compliance with the FERC license, Section 7 of the Settlement Agreement, USFS 4(e) conditions 37, and SWRCB Water Quality Certification condition 13.

Project Financial Summary:			
Funded to Date:	\$ 60,000	Expenditures through end of year:	\$ 56,657
Spent to Date:	\$ 56,657	2025 - 2029 Planned Expenditures:	\$ 35,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 91,657
Project Balance	\$ 3,343	Additional Funding Required	\$ 31,657

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Monitoring		\$ 30,000				\$ 30,000
Staff time		\$ 5,000				\$ 5,000
						\$ -
						\$ -
TOTAL	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

FERC

Project Number:

06091H

Project Name:

FERC: C37.5 Riparian Vegetation Recruitment

Project Category:

Regulatory Requirements

Priority:

1

PM:

Deason

Board Approval:

Project Description:

Mandatory requirement of the FERC license. The objective of this monitoring effort is to evaluate riparian vegetation recruitment at selected stream reaches for comparison to the ecological resource objectives to help determine if ecological resource objectives are achievable and being met, as specified in the El Dorado Hydroelectric Project No. 184 Adaptive Management Program.

Basis for Priority:

If unfunded, EID would be out of compliance with the FERC license, Section 7 of the Settlement Agreement, USFS 4(e) conditions 37, and SWRCB Water Quality Certification condition 13.

Project Financial Summary:			
Funded to Date:	\$ 75,000	Expenditures through end of year:	\$ 58,235
Spent to Date:	\$ 58,235	2025 - 2029 Planned Expenditures:	\$ 35,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 93,235
Project Balance	\$ 16,765	Additional Funding Required	\$ 18,235

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Monitoring		\$ 30,000				\$ 30,000
Staff Time		\$ 5,000				\$ 5,000
						\$ -
						\$ -
TOTAL	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

FERC

Project Number:

06092H

Project Name:

FERC: C37.7 Geomorphology Evaluation

Project Category:

Regulatory Requirements

Priority:

1

PM:

Deason

Board Approval:

Project Description:

Mandatory requirement of the FERC license. The objective of this monitoring effort is to monitor representative stream channel areas for comparison to the ecological resource objectives to help determine if ecological resource objectives are achievable and being met, as specified in the El Dorado Hydroelectric Project No. 184 Adaptive Management Program.

Basis for Priority:

If unfunded, EID would be out of compliance with the FERC license, Section 7 of the Settlement Agreement, USFS 4(e) conditions 37, and SWRCB Water Quality Certification condition 13.

Project Financial Summary:			
Funded to Date:	\$ 169,266	Expenditures through end of year:	\$ 158,198
Spent to Date:	\$ 158,198	2025 - 2029 Planned Expenditures:	\$ 80,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 238,198
Project Balance	\$ 11,068	Additional Funding Required	\$ 68,932

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Monitoring		\$ 70,000				\$ 70,000
Staff time		\$ 10,000				\$ 10,000
TOTAL	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ 80,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

FERC

Project Number: 06095H
 Project Name: FERC: C54 Visual Resources Management Plan
 Project Category: Regulatory Requirements
 Priority: 1 PM: Deason Board Approval:

Project Description:

This project is a requirement of the Article 402 of the Federal Energy Regulatory Commission (FERC) License for Project No. 184, Section 24 of the El Dorado Relicensing Settlement Agreement, and United States Forest Service (USFS) 4(e) Condition 54. These conditions require the District to prepare and implement a Visual Resources Management Plan (VRMP). The purpose of the Visual Resources Management Plan (VRMP) is to guide the decision-making process and facilitate the aesthetic/visual enhancement and management of specific Project No. 184 facilities and lands affecting the visual character of the Project No. 184 area. The current VRMP was approved in 2008 and is due to be reviewed and updated. Funding will be for professional services and staff time to update the plan and coordinate review and approval of the updated VRMP with the USFS and FERC.

Basis for Priority:

If unfunded, EID would be out of compliance with the FERC license and USFS 4(e) condition 54.

Project Financial Summary:			
Funded to Date:	\$ 55,381	Expenditures through end of year:	\$ -
Spent to Date:	\$ 40,381	2025 - 2029 Planned Expenditures:	\$ 5,000
Cash flow through end of year:		Total Project Estimate:	\$ 5,000
Project Balance	\$ 15,000	Additional Funding Required	\$ -

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning	\$ 5,000					\$ 5,000
						\$ -
TOTAL	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

FERC

Project Number:

06096H

Project Name:

FERC: C55 Heritage Resources

Project Category:

Regulatory Requirements

Priority:

1

PM:

Deason

Board Approval:

Project Description:

Mandatory requirement of the FERC license. Funding is necessary to complete and implement the Heritage Properties Management Plan (HPMP). The HPMP provides management protocols and mitigation measures for the ongoing protection of archaeological resources located within the FERC boundary.

Basis for Priority:

If unfunded, EID would be out of compliance with the FERC license and USFS 4(e) conditions 55 and 56.

Project Financial Summary:			
Funded to Date:	\$ 279,580	Expenditures through end of year:	\$ 212,841
Spent to Date:	\$ 212,841	2025 - 2029 Planned Expenditures:	\$ 55,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 267,841
Project Balance	\$ 66,739	Additional Funding Required	\$ -

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Monitoring		\$ 50,000				\$ 50,000
Staff Time		\$ 5,000				\$ 5,000
						\$ -
						\$ -
TOTAL	\$ -	\$ 55,000.00	\$ -	\$ -	\$ -	\$ 55,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

Project Number: 06097H
Project Name: FERC: C59 Facility Management Plan
Project Category: Regulatory Requirements
Priority: 1 **PM:** Mutschler **Board Approval:**

Project Description:

Required by the License Settlement Agreement, and the USFS 4(e) Condition 59: Within 1 year of license issuance, the licensee shall file with FERC a Facility Management Plan that is approved by the FS. The licensee shall implement the plan upon approval. Every 5 years, the licensee shall prepare a 5-year plan that will identify the maintenance, reconstruction, and removal needs for Project facilities within the FERC boundary and located on Forest Service property. The plan was approved by the USFS and filed with FERC. The plan is due to be reviewed and updated. Future costs are subject to change based on the scope of the new plan. Items remaining to be evaluated include the following: winch house at the surge chamber and the water tank shed along the penstock.

Basis for Priority:

If unfunded, EID would be out of compliance with the FERC license and USFS 4(e) condition 59.

Project Financial Summary:			
Funded to Date:	\$ 70,000	Expenditures through end of year:	\$ 49,197
Spent to Date:	\$ 49,197	2025 - 2029 Planned Expenditures:	\$ 5,000
Cash flow through end of year:		Total Project Estimate:	\$ 54,197
Project Balance	\$ 20,803	Additional Funding Required	\$ -

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning	\$ 5,000					\$ 5,000
						\$ -
TOTAL	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

FERC

Project Number:

06098H

Project Name:

FERC: C46 thru C49 Recreation Resource Management

Project Category:

Regulatory Requirements

Priority:

1

PM:

Bertram

Board Approval:

Project Description:

Required by the new FERC License, Settlement Agreement, and the USFS 4(e) Conditions. Conditions 46-49: Condition No. 46 – Implementation Plan. A recreation implementation plan shall be developed by the licensee in coordination with the FS within 6 months of license issuance. Condition No. 47 - Recreation Survey. The licensee shall conduct a Recreational Survey and prepare a Report on Recreational Resources that is approved by the FS every 6 years from the date of license issuance. Condition No. 48 – Forest Service Liaison. The FS and the licensee shall each provide an individual for liaison whenever planning or construction of recreation facilities, other major Project improvements, and maintenance activities are taking place within the National Forest. Condition No. 49 - Review of Recreation Developments. The FS and the licensee shall meet at least every 6 years to review all recreation facilities and areas associated with the Project and to agree upon necessary maintenance, rehabilitation, construction, and reconstruction work needed and its timing, as described in Conditions No. 49 and 50. Following the review, the licensee shall develop a 6-year schedule for maintenance, rehabilitation, and reconstruction.

This is a mandatory requirement of the October 18, 2006 FERC Order Issuing New License

Basis for Priority:

EID would not be able to comply with the FERC License, Settlement Agreement and USFS 4(e) Condition requirements.

Project Financial Summary:

Funded to Date:	\$ 384,000	Expenditures through end of year:	\$ 368,814
Spent to Date:	\$ 360,814	2025 - 2029 Planned Expenditures:	\$ 2,000
Cash flow through end of year:	\$ 8,000	Total Project Estimate:	\$ 370,814
Project Balance	\$ 15,186	Additional Funding Required	\$ -

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Survey						\$ -
Reporting	\$ 2,000					\$ 2,000
TOTAL	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

FERC

Project Number:

07003H

Project Name:

FERC: C37.9 Water Quality

Project Category:

Regulatory Requirements

Priority:

1

PM:

Deason

Board Approval:

Project Description:

Mandatory requirement of the FERC license. Funding is necessary to implement the water quality monitoring program at Project No. 184 reservoirs and stream reaches. The data collected from this monitoring effort will be used to characterize water quality under current project operations and help determine if applicable water quality objectives/criteria are being met and whether designated beneficial uses are protected.

Basis for Priority:

If unfunded, EID would be out of compliance with the FERC license, Section 7 of the Settlement Agreement, USFS 4(e) conditions 37, and SWRCB Water Quality Certification condition 13.

Project Financial Summary:

Funded to Date:	\$ 694,000	Expenditures through end of year:	\$ 689,159
Spent to Date:	\$ 624,159	2025 - 2029 Planned Expenditures:	\$ 120,000
Cash flow through end of year:	\$ 65,000	Total Project Estimate:	\$ 809,159
Project Balance	\$ 4,841	Additional Funding Required	\$ 115,159

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Monitoring			\$ 80,000			\$ 80,000
Lab analysis			\$ 25,000			\$ 25,000
Staff time			\$ 15,000			\$ 15,000
TOTAL	\$ -	\$ -	\$ 120,000	\$ -	\$ -	\$ 120,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

FERC

Project Number:

07005H

Project Name:

FERC: C51.3 RM Echo Trailhead

Project Category:

Regulatory Requirements

Priority:

1

PM:

Bertram

Board Approval:

Project Description:

Required by the FERC License, Settlement Agreement, and the USFS 4(e) Condition 51.3, which requires the District to provide funding for the following activities at Echo Lakes Trailhead:

- a. Toilet pumping
- b. Trash removal/litter pick-up within the site

Funding under this CIP is required to cover the costs of toilet pumping as well as capitalized labor for operations staff to clean up litter within the site.

Basis for Priority:

EID would not be able to comply with the FERC License, Settlement Agreement and USFS 4(e) Condition requirements.

Project Financial Summary:			
Funded to Date:	\$ 30,000	Expenditures through end of year:	\$ 24,593
Spent to Date:	\$ 24,593	2025 - 2029 Planned Expenditures:	\$ 40,000
Cash flow through end of year:		Total Project Estimate:	\$ 64,593
Project Balance	\$ 5,407	Additional Funding Required	\$ 34,593

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Services	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
Staff time	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 15,000
TOTAL	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 40,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$2,593
			\$0
Total	100%		\$2,593

Funding Comments:

Project Number: 07006H
Project Name: FERC: C51.5 and C51.7 RM USFS Payments
Project Category: Regulatory Requirements
Priority: 1 **PM:** Bertram **Board Approval:**

Project Description:

Required by the FERC License, Settlement Agreement, and USFS 4(e) Condition 51, which in part, requires the District to provide funding for the following activities:

- a. Special Use Administration Funding: The licensee shall annually pay, by October 1, the amount of \$4,800 (year 2002 cost basis) to provide for performing monitoring and permit compliance assurance for the campground concessionaire special use permits at Caples Lake Campground and Silver Lake East Campground. The costs shall be escalated based on the U.S. Gross Domestic Product – Implicit Price Deflator (GDP-IDP).
- b. Dispersed Area Patrol Funding on Lands Affected by the Project: The licensee shall annually pay, by October 1, \$25,000 (year 2002 cost basis). The cost shall be escalated based on the U.S. Gross Domestic Product – Implicit Price Deflator (GDP-IDP). These funds are to provide for patrol and operation of non-concessionaire developed and dispersed recreation facilities, as well as trails and other locations utilized by visitors to the Project, within and adjacent to the Project boundary. The licensee shall annually provide a boat and operator on Caples Lake and Silver Lake at least twice each season (time to be determined by mutual agreement between the licensee and the FS) to assist the FS in policing the shoreline along Silver Lake and Caples Lake, and to clean up litter.

Funding under this CIP is required to pay the annual fees to the USFS for special use administration and dispersed area patrol on USFS lands affected by the Project, and for capitalized labor to patrol the shoreline and clean up litter at Silver Lake and Caples Lake.

Basis for Priority:

EID would not be able to comply with the FERC License, Settlement Agreement and USFS 4(e) Condition requirements.

Project Financial Summary:			
Funded to Date:	\$ 777,421	Expenditures through end of year:	\$ 711,496
Spent to Date:	\$ 711,496	2025 - 2029 Planned Expenditures:	\$ 288,785
Cash flow through end of year:		Total Project Estimate:	\$ 1,000,282
Project Balance	\$ 65,925	Additional Funding Required	\$ 222,861

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Fees	\$50,671	\$52,191	\$53,682	\$55,292	\$56,950	\$268,785
Staff time	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$20,000
TOTAL	\$ 54,671	\$ 56,191	\$ 57,682	\$ 59,292	\$ 60,950	\$288,785

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

FERC

Project Number:

07010H

Project Name:

FERC: C15 Pesticide Use

Project Category:

Regulatory Requirements

Priority:

1

PM:

M. Heape

Board Approval:

Project Description:

Mandatory requirement of the FERC license. Funding is requested to implement the integrated pest management plan (IPMP). The IPMP addresses pesticide use at EID facilities within the jurisdiction of the EI Dorado National Forest (ENF) and Lake Tahoe Basin Management Unit (LTBMU).

Basis for Priority:

If unfunded, EID would be out of compliance with the FERC license and USFS 4(e) condition 15.

Project Financial Summary:			
Funded to Date:	\$ 1,058,000	Expenditures through end of year:	\$ 954,241
Spent to Date:	\$ 954,241	2025 - 2029 Planned Expenditures:	\$ 400,000
Cash flow through end of year:		Total Project Estimate:	\$ 1,354,241
Project Balance	\$ 103,759	Additional Funding Required	\$ 296,241

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Implementation	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 325,000
Equipment / Supplies	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000
						\$ -
						\$ -
TOTAL	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 400,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

FERC

Project Number:

07011H

Project Name:

FERC: C38 Adaptive Management Program

Project Category:

Regulatory Requirements

Priority:

1

PM:

Deason

Board Approval:

Project Description:

Mandatory requirement of the FERC license. Funding is for staff time to implement the adaptive management program (Condition 38) of the FERC license. This program requires coordination with the Ecological Resources Committee (ERC), implementation of the resource monitoring program, and evaluation of monitoring results to determine if resource objectives are achievable and being met.

Basis for Priority:

If unfunded, EID would be out of compliance with the FERC license, Section 14 of the Settlement Agreement, and USFS 4(e) condition 38.

Project Financial Summary:			
Funded to Date:	\$ 757,000	Expenditures through end of year:	\$ 734,675
Spent to Date:	\$ 724,675	2025 - 2029 Planned Expenditures:	\$ 250,000
Cash flow through end of year:	\$ 10,000	Total Project Estimate:	\$ 984,675
Project Balance	\$ 22,325	Additional Funding Required	\$ 227,675

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Staff time	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$ 250,000
						\$ -
TOTAL	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$27,675
			\$0
Total	100%		\$27,675

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

FERC

Project Number:

07030H

Project Name:

FERC: C57 Transportation System Management Plan

Project Category:

Regulatory Requirements

Priority:

1

PM:

Mutschler

Board Approval:

Project Description:

Condition 57 states within 1 year of license issuance, the licensee shall file with FERC a transportation system management plan that is approved by the FS for roads on or affecting National Forest System lands. The plan was prepared and approved and established the level of licensee responsibility for project-related roads. Also included in this CIP is the Trails Maintenance Plan. The plan is due to be reviewed and updated. Plan updates include consultation with the Forest Service. Future costs are subject to change based on the scope of the new plan.

Projects are for stabilizing the numerous access roads to the Project 184 system. Projects will be to repair and refurbish existing roads that are part of the Transportation System Management Plan that we have with the US Forest Service. Roads to be worked on include:

- Camp 2 Road - 1 Mile, Five Beat Access Roads - 2 Miles - 2025
- Camp 1 Road - 2 Miles - 2026
- Flume 4-6 Access Road - 3 miles - 2027

Work will include replacing missing rock and treating the road with SoilTech mixture to prevent dust and erosion

Basis for Priority:

Project is required by Project 184 license and is on-going.

Project Financial Summary:			
Funded to Date:	\$ 505,000	Expenditures through end of year:	\$ 77,934
Spent to Date:	\$ 77,934	2025 - 2029 Planned Expenditures:	\$ 1,225,000
Cash flow through end of year:		Total Project Estimate:	\$ 1,302,934
Project Balance	\$ 427,066	Additional Funding Required	\$ 797,934

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Update Plan						\$ -
Construction	\$ 425,000	\$ 350,000	\$ 450,000			\$ 1,225,000
TOTAL	\$ 425,000	\$ 350,000	\$ 450,000	\$ -	\$ -	\$ 1,225,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

FERC

Project Number: 08025H
 Project Name: FERC C44 Noxious Weed Monitoring
 Project Category: Regulatory Requirements
 Priority: 1 PM: Deason Board Approval:

Project Description:

Mandatory requirement of the FERC license. Funding is requested to implement the noxious weed plan for the prevention and control of noxious weeds at Project No. 184 facilities. The plan requires annual surveys within the Project No. 184 boundary in areas where high priority noxious weeds are known to occur and in areas where ground disturbance occurred during the previous year. The plan also calls for surveys to be conducted every 5 years within the entire Project No. 184 boundary.

Basis for Priority:

If unfunded, EID would be out of compliance with the FERC license, Section 8 of the Settlement Agreement, and USFS 4(e) condition 44.

Project Financial Summary:			
Funded to Date:	\$ 367,342	Expenditures through end of year:	\$ 363,807
Spent to Date:	\$ 343,807	2025 - 2029 Planned Expenditures:	\$ 190,000
Cash flow through end of year:	\$ 20,000	Total Project Estimate:	\$ 553,807
Project Balance	\$ 3,535	Additional Funding Required	\$ 186,465

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Implementation	\$ 30,000	\$ 30,000	\$ 45,000	\$ 30,000	\$ 30,000	\$ 165,000
Reporting	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
						\$ -
						\$ -
TOTAL	\$ 35,000	\$ 35,000	\$ 50,000	\$ 35,000	\$ 35,000	\$ 190,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$31,465
			\$0
Total	100%		\$31,465

Funding Comments: Annual

2025

CAPITAL IMPROVEMENT PLAN Program:

FERC

Project Number: 10007
Project Name: FERC C51.1 and 51.2 RM Caples Auxiliary Dam and Boat Launch
Project Category: Regulatory Requirements
Priority: 1 **PM:** Bertram **Board Approval:**

Project Description:

Required by the FERC License, Settlement Agreement, and the USFS 4(e) Condition 51, which, in part, requires the District to provide funding for the following activities:

- The licensee shall be responsible for one-half of the following maintenance at the Caples Lake Auxiliary Dam Parking Area: a) routine cleaning, repair, and maintenance of all constructed features, b) toilet pumping, c) trash removal/litter pick up at the site, d) maintenance of the signboards, and e) vegetation management.
- The licensee shall be responsible for operating and maintaining the boat launching ramp, associated parking lot, and other public facilities constructed at this site for the term of the license. The licensee shall also be responsible for maintenance of signboards. The USFS shall be responsible for maintaining the information on those signboards to USFS standards.

Funding under this CIP is required to pay for services, capitalized labor, and materials necessary for operations and maintenance activities at the Caples Lake Auxiliary Dam parking area and at the Caples Lake Boat Launch.

Basis for Priority:

EID would not be able to comply with the FERC License, Settlement Agreement and USFS 4(e) Condition requirements.

Project Financial Summary:			
Funded to Date:	\$ 304,000	Expenditures through end of year:	\$ 264,472
Spent to Date:	\$ 264,472	2025 - 2029 Planned Expenditures:	\$ 200,000
Cash flow through end of year:		Total Project Estimate:	\$ 464,472
Project Balance	\$ 39,528	Additional Funding Required	\$ 160,472

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Services	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$ 125,000
Staff time	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000
Materials	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
Construction						\$ -
TOTAL	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 200,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$472
			\$0
Total	100%		\$472

Funding Comments:

Water Projects

Project Number: 16003
Project Name: Permit 21112 Change in Point of Diversion
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Leeper **Board Approval:**

Project Description:

The District's existing Water Right Permit 21112 allows for water diversion at Folsom Reservoir for consumptives uses. Long-term water supply planning forecasts indicate that a portion of the Permit 21112 water supply will be necessary to serve areas of the District that are east of El Dorado Hills and at a higher elevation. The District seeks to modify Permit 21112 to add an authorized point of diversion and re-diversion to more effectively and efficiently meet the future water demands. The District seeks to add a point of diversion that allows both direct diversion from the South Fork of the American River, as well as re-diversion of this water to storage in Jenkinson Lake. The additional point of diversion is proposed at the District's existing El Dorado Diversion Dam near Kyburz. In addition, the District's seeks to add Jenkinson Lake as an authorized point of re-diversion and an authorized place of storage for Permit 21112 water. Water diverted at the El Dorado Diversion Dam can be conveyed to Jenkinson Lake via the Hazel Creek Tunnel. To take all or any portion of Permit 21112 water upstream of Folsom Reservoir at a new diversion location, EID must successfully petition the State Water Resources Control Board (SWRCB) for water right permit changes to add points of diversion and rediversion and a new place of storage. This project requires extensive hydrologic modeling to support the petition process and environmental review. The SWRCB Change Petition process encompasses preparation of the Petition (including preliminary engineering, hydrologic, and biological analyses, mapping, legal review, and preliminary meetings with SWRCB staff, California Department of Fish & Wildlife staff, and other stakeholders); California Environmental Quality Act (CEQA) compliance through preparation of an environmental impact report; processing of the Petition and any protests by the SWRCB; and potentially evidentiary hearings before the SWRCB if protests are filed against the Petition and cannot be resolved through stakeholder negotiations. The planned annual expenditures reflect a timeline for CEQA compliance and Petition processing in 2025-2027. The estimated expenditures related to the Petition processing and potential SWRCB hearing proceedings are estimates only, and actual expenditures will be highly dependent on the technical and legal support necessary to advance the Petition. Any post-SWRCB hearing proceedings, including potential administrative appeals and/or litigation would require additional funding.

Basis for Priority:

This project provides measurable progress toward achieving the District's goals, including helping to meet future water demand as identified in long-term water supply planning efforts, reducing the cost of water conveyance and delivery through gravity flow, increasing flexibility and reliability in water delivery systems to benefit the District's entire service area, improving drought resiliency, maintaining compliance with regulatory and legal obligations regarding water operations, and optimizing existing water rights.

Project Financial Summary:			
Funded to Date:	\$ 1,917,991	Expenditures through end of year:	\$ 1,898,419
Spent to Date:	\$ 1,757,419	2025 - 2029 Planned Expenditures:	\$ 300,000
Cash flow through end of year:	\$141,000	Total Project Estimate:	\$ 2,198,419
Project Balance	\$ 19,572	Additional Funding Required	\$ 280,428

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
CEQA/Environmental	\$ 100,000					\$ 100,000
Petition Processing	\$ 100,000					\$ 100,000
SWRCB Hearing		\$ 50,000	\$ 50,000			\$ 100,000
TOTAL	\$ 200,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ 300,000

Estimated Funding Sources	Percentage	2025	Amount
Water FCCs	100%		\$180,428
Total	100%		\$180,428

Funding Comments:

Project Number: 17011
Project Name: Crestview Pump Station Replacement Project
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Carrington **Board Approval:**

Project Description:

The District has numerous distribution pump stations throughout the water service area that operate to increase pressures to customers at higher elevations. The District has an annual program to replace, rehabilitate or upgrade pump stations that have reached the end of their service life.

The Crestview Pump Station is in need of replacement due to maintenance issues with an existing buried pneumatic tank, which cannot be certified for the operating pressure due to the inability to examine the entire structure. This is a safety issue for the District as we cannot certify the existing tank for service. The existing single pump is also located within a confined space and is a potential maintenance hazard. Without the benefit of a second pump, 25 customers are taken out of water for any regular maintenance. Additionally, the station air compressors have failed due to being underground causing the pipeline to become air locked and causing various leaks on the distribution piping. Construction is anticipated to be accomplished with District crews.

Basis for Priority:

Potential interruption to service in the event of failures and continued use of expiring equipment that may pose a threat to the health and safety of customers, employees, and the public. The station has exceeded its useful life and does not meet current standards.

Project Financial Summary:			
Funded to Date:	\$ 150,000	Expenditures through end of year:	\$ 141,992
Spent to Date:	\$ 101,992	2025 - 2029 Planned Expenditures:	\$ 365,000
Cash flow through end of year:	\$ 40,000	Total Project Estimate:	\$ 506,992
Project Balance	\$ 8,008	Additional Funding Required	\$ 356,992

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$ 50,000					\$ 50,000
Environmental	\$ 15,000					\$ 15,000
Construction		\$ 300,000				\$ 300,000
TOTAL	\$ 65,000	\$ 300,000	\$ -	\$ -	\$ -	\$ 365,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$56,992
Total	100%		\$56,992

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Water

Project Number:

17035

Project Name:

Green Valley Bridge Relocation

Project Category:

State/County Road Projects

Priority:

1

PM:

Carrington

Board Approval:

Project Description:

El Dorado County plans to construct two new bridges on Green Valley Road; one at Mound Springs Creek and one at Indian Creek. The District has existing waterlines and two pressure reducing stations (Green Valley PRS #1 and Greenstone PRS #1) on Green Valley Road that will be impacted by the project and require relocation at District cost as they are located in the public right of way. Based on the County's current design, approximately 1,200 feet of 8 and 12-inch waterline will need to be relocated along with both pressure reducing stations. The relocation work needs to be completed in advance of the County's project as the District is in conflict with the new bridge abutments and road realignment. The District has pre-purchased all necessary pressure reducing valves, isolation valves, fittings, for both pressure reducing stations. The relocation design is complete and will be bid once the County has completed their right of way acquisition. The County intends to have right of way acquisition complete by the end of 2024.

Basis for Priority:

The District has facilities that are in the public right of way that will be impacted by the planned projects. The relocation must be done at the District's cost to make way for the County's project.

Project Financial Summary:

Funded to Date:	\$ 165,000	Expenditures through end of year:	\$ 151,668
Spent to Date:	\$ 131,668	2025 - 2029 Planned Expenditures:	\$ 750,000
Cash flow through end of year:	\$ 20,000	Total Project Estimate:	\$ 901,668
Project Balance	\$ 13,332	Additional Funding Required	\$ 736,668

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design						\$ -
Environmental						
Construction	\$ 750,000					\$ 750,000
TOTAL	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ 750,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$736,668
Total	100%		\$736,668

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Water

Project Number: 19050
 Project Name: Construction Storage Facility
 Project Category: Reliability & Service Level Improvements
 Priority: 3 PM: Carrington Board Approval:

Project Description:

This project will evaluate the District's Placerville upper yard to determine necessary improvements to accommodate water construction crews, meter services, fleet, weld shop, and the warehouse. Expenditures are for a Basis of Design Report only. Future design and construction costs will be added once available.

Basis for Priority:

Improve efficiency and provide safe and adequate storage.

Project Financial Summary:

Funded to Date:	\$ 50,000	Expenditures through end of year:	\$ 40,540
Spent to Date:	\$ 30,540	2025 - 2029 Planned Expenditures:	\$ 200,000
Cash flow through end of year:	\$ 10,000	Total Project Estimate:	\$ 240,540
Project Balance	\$ 9,460	Additional Funding Required	\$ 190,540

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Design	\$ 200,000					\$ 200,000
Environmental						
Construction						\$ -
TOTAL	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$190,540
Total	100%		\$190,540

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Water

Project Number: 21015
Project Name: Swansboro Pump Station Replacement Project
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Mackay **Board Approval:**

Project Description:

The District has numerous distribution pump stations throughout the water service area that operate to increase pressures to customers at higher elevations.

The current Swansboro Pump Station is at the end of its useful life as the pumps are approximately 45 years old and parts are no longer available. Currently pump number 2 is nearing a complete bearing failure and must be replaced. The pneumatic tank for the station has also reached the end of its useful life and has welded patches from previous repairs. This work would include removing the existing tank and install new pumps, above and below ground plumbing upgrade, and upgrade the SCADA panel.

Basis for Priority:

Replacement of assets to improve reliability and avoid interruption to service throughout the District in the event of failures.

Project Financial Summary:			
Funded to Date:	\$ 141,000	Expenditures through end of year:	\$ 91,577
Spent to Date:	\$ 91,577	2025 - 2029 Planned Expenditures:	\$ 100,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 191,577
Project Balance	\$ 49,423	Additional Funding Required	\$ 50,577

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$ 100,000					\$ 100,000
Environmental						\$ -
Construction						\$ -
TOTAL	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$50,577
Total	100%		\$50,577

Funding Comments:

Project Number: 21034
Project Name: Braden Court Pressure Reducing Station #1 Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** TBD **Board Approval:**

Project Description:

The District has numerous pressure reducing stations throughout the service area to keep line pressures within acceptable ranges as it travels from Pollock Pines down to El Dorado Hills. The District has a pressure reducing station program that identifies specific stations to rehabilitate, replace or upgrade to maintain service reliability throughout the District. Loss of pressure control or valve failure can result in extensive water line damage or complete failure.

The current Braden Court PRS1 is at the end of its useful life as the valves and piping in the station are continuously leaking. A repair was made to the station in 2020, however the repair took place in the vault as the piping has been concreted together. The concrete encasement for this station was completed due to thrust concerns as it currently breaks 150 PSI to 15 PSI. The project will upgrade the station given its current condition. This work would include removing the existing station and installing a new prefabricated below ground station.

Basis for Priority:

This project will replace an asset at the end of useful life.

Project Financial Summary:			
Funded to Date:	\$ 90,000	Expenditures through end of year:	\$ 73,361
Spent to Date:	\$ 43,361	2025 - 2029 Planned Expenditures:	\$ 290,000
Cash flow through end of year:	\$ 30,000	Total Project Estimate:	\$ 363,361
Project Balance	\$ 16,640	Additional Funding Required	\$ 273,361

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$ 75,000					\$ 75,000
Environmental	\$ 15,000					\$ 15,000
Construction	\$ 200,000					\$ 200,000
TOTAL	\$ 290,000	\$ -	\$ -	\$ -	\$ -	\$ 290,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$273,361
Total	100%		\$273,361

Funding Comments:

Project Number: 21079
Project Name: Sly Park Intertie Improvements
Project Category: Reliability & Service Level Improvements
Priority: 1 **PM:** Carrington **Board Approval:**

Project Description:

The Sly Park Intertie (Intertie) is a key component of drinking water supply reliability in times of drought and during emergencies. In service it provides water delivery flexibility between Reservoir A WTP and Reservoir 1 WTP. The Intertie includes approximately 3.5 miles of 22" and 30" steel waterline built under emergency conditions just after the 1976-77 drought. The unlined pipeline had corroded significantly due to lack of cathodic protection and was eventually taken out of service due to the volume of leaks. The reconstruction of this Intertie and associated pump station will restore the ability to move water between Reservoir 1 WTP and Reservoir A WTP. In addition, this project will also allow for a long overdue inspection of the 60 year old Camino Conduit between Jenkinson Reservoir and Reservoir A WTP, provide time for the rehabilitation of valves within the dam that are in need of service or replacement, and provide a longer window for scheduled Reservoir A WTP maintenance.

Construction will occur from 2024 through 2026.

Basis for Priority:

The Board approved construction of the project in 2024.

Project Financial Summary:			
Funded to Date:	\$ 58,566,344	Expenditures through end of year:	\$ 8,017,070
Spent to Date:	\$ 3,017,070	2025 - 2029 Planned Expenditures:	\$ 40,549,274
Cash flow through end of year:	\$ 5,000,000	Total Project Estimate:	\$ 48,566,344
Project Balance	\$ 50,549,274	Additional Funding Required	\$ -

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design						\$ -
Environmental						\$ -
Construction	\$ 38,000,000	\$ 12,549,274				\$ 50,549,274
Grant Offset	\$ (10,000,000)					\$ (10,000,000)
TOTAL	\$ 28,000,000	\$ 12,549,274	\$ -	\$ -	\$ -	\$ 40,549,274

Estimated Funding Sources	Percentage	2025	Amount
2024 Bond	100%	\$	
Total	100%	\$	

Funding Comments:

Project Number: 22019
Project Name: Pleasant Oak Main Pressure Reducing Station #2 Upgrade
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Delongchamp **Board Approval:**

Project Description:

The current Pleasant Oak Main Pressure Reducing Station #2 (POM PRS #2) is due for replacement because of maintenance issues as the valves have outlived their useful lives. The valves that are currently in use received an emergency rebuild in the spring of 2020 and at that time it was determined that they would not accept another rebuild. The POM PRS #2 is an important pressure reducing station as the only feed to the District's Reservoir C site. From the Reservoir C site the Pleasant Oak Main transmission line, in conjunction with other transmission and distribution lines, provides water to the communities of Diamond Springs, Placerville, Cameron Park, and El Dorado Hills. Purchase of valves was completed in 2022. Design is scheduled to be complete and bid in November 2024, and the project will be bid and constructed in December 2024 - April 2025.

Basis for Priority:

Potential interruption to service throughout the District in the event of failures and continued use of expiring equipment that may pose a threat to the health and safety of customers, employees, and the public.

Project Financial Summary:			
Funded to Date:	\$ 539,481	Expenditures through end of year:	\$ 656,053
Spent to Date:	\$ 356,053	2025 - 2029 Planned Expenditures:	\$ 500,000
Cash flow through end of year:	\$ 300,000	Total Project Estimate:	\$ 1,156,053
Project Balance	\$ (116,572)	Additional Funding Required	\$ 616,572

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design						\$ -
Construction	\$ 500,000					\$ 500,000
TOTAL	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$616,572
Total	100%		\$616,572

Funding Comments:

Project Number: 23009
Project Name: Reservoir 1 Storage Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Delongchamp **Board Approval:**

Project Description:

The District owns and operates seven floating membrane (hypalon) covered reservoirs in its drinking water system. Hypalon covers have a life expectancy of 20-30 years depending on material selection and environmental factors, including ultraviolet light (UV) exposure from sunlight and contamination and wear from organic debris such as pine needles. All of the District's hypalon covers have exceeded their useful life and need replacement. Additionally, hypalon covers are vulnerable to wildfire, as demonstrated by the loss of several hypalon covers during the 2018 Camp Fire near the town of Paradise. Due to these vulnerabilities, the District is pursuing the replacement of the Reservoir 1 and Pollock Pines Reservoir hypalon covers with new concrete tanks.

The District is currently pursuing a grant opportunity from Federal Emergency Management Agency, through their Building Resilient Infrastructure and Communities (BRIC) grant program for both reservoirs. This grant could cover 75% - 100% of the of the design and construction costs of the new tanks.

The Basis of Design Report will be complete in October 2024. Preliminary cost estimates of \$45M for concrete tanks will require re-evaluation of the Reservoir 1 improvements in 2025, including the possibility of a temporary floating cover installation to eliminate the recent history of cover failures until a financially viable tank solution is evaluated.

Basis for Priority:

The District's floating covers on the Reservoir 1 and Pollock Pines Reservoirs are beyond their useful life and need replacement. Additionally, the floating covers are susceptible to wildfire. The project will increase service reliability.

Project Financial Summary:			
Funded to Date:	\$ 256,425	Expenditures through end of year:	\$ 95,158
Spent to Date:	\$ 95,158	2025 - 2029 Planned Expenditures:	\$ 1,000,000
Cash flow through end of year:		Total Project Estimate:	\$ 1,095,158
Project Balance	\$ 161,267	Additional Funding Required	\$ 838,733

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning	\$ 250,000					\$ 250,000
Design						\$ -
Construction - Reservoir 1	\$ 750,000					\$ 750,000
Construction - Pollock Pines reservoir						\$ -
FEMA BRIC Grant						\$ -
TOTAL	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$838,733
			\$0
Total	100%		\$838,733

Funding Comments:

Project Number:

23010

Project Name:

Res 1 Water Treatment Plant Generator Replacement

Project Category:

Reliability & Service Level Improvements

Priority:

1

PM:

Shan

Board Approval:

Project Description:

The generator at Reservoir 1 is beyond its useful life and needs to be replaced. It is difficult to get parts for the generator as the unit is obsolete and past its life expectancy, in fact the District can no longer purchase parts for the generator, which means that any repairs to the generator requires a custom repair. In addition, the generator did not pass the load bank test in 2022. In addition, the sound attenuation for the generator is in a mode of failure requiring a new enclosure around the generator. The District depends on this generator to keep the Reservoir 1 Water Treatment Plant operating during planned and unplanned power outages. In August 2023, the generator broke, and was not repairable. The District purchased a new generator and commissioned it with temporary provisions. The temporary installation imposes trip hazard.

This project includes the design (completed) and construction of long-term placement, enclosure and connections of the new generator and a new ATS.

Basis for Priority:

Ability to maintain critical water supply during planned and unplanned power outages. Project is currently in construction.

Project Financial Summary:

Funded to Date:	\$ 1,317,042	Expenditures through end of year:	\$ 884,517
Spent to Date:	\$ 235,623	2025 - 2029 Planned Expenditures:	\$ 408,461
Cash flow through end of year:	\$ 648,893	Total Project Estimate:	\$ 1,292,978
Project Balance	\$ 432,525	Additional Funding Required	\$ -

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
						\$ -
10% Construction Contingency	\$ 100,000					\$ 100,000
Construction	\$ 208,461					\$ 208,461
Capitalized Labor	\$ 100,000					\$ 100,000
TOTAL	\$ 408,461	\$ -	\$ -	\$ -	\$ -	\$ 408,461

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Water

Project Number: 23025
 Project Name: Transmission Valve Upgrades
 Project Category: Reliability & Service Level Improvements
 Priority: 2 PM: Carrington Board Approval:

Project Description:

The District maintains many transmission pipelines to convey drinking water from water treatment plants to its customers. Industry standard and best engineering practices dictate that any pressurized pipeline should have appurtenances such as isolation valves, blow off valves, and air release valves to isolate the pipeline, dewater the pipeline, or release air entrapment. The Transmission Valve Upgrades Project includes replacing one failed isolation valve on the El Dorado Main No. 1 transmission pipeline as well as constructing two new isolation valves on El Dorado Main No. 1 and El Dorado Main No. 2 transmission pipelines and replacement of an intertie pipeline. These upgrades will replace a failed asset and increase operational flexibility in the event of a transmission pipeline failure, planned transmission pipeline maintenance outage, or need to change operation in the drinking water transmission system.

Basis for Priority:

Existing valve failed due to age and degradation and no longer providing proper isolation of the distribution or transmission systems.

Project Financial Summary:			
Funded to Date:	\$ 174,000	Expenditures through end of year:	\$ 73,971
Spent to Date:	\$ 48,971	2025 - 2029 Planned Expenditures:	\$ 550,000
Cash flow through end of year:	\$ 25,000	Total Project Estimate:	\$ 623,971
Project Balance	\$ 100,029	Additional Funding Required	\$ 449,971

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$50,000					\$ 50,000
Environmental						\$ -
Construction	\$500,000					\$ 500,000
TOTAL	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ 550,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$449,971
Total	100%		\$449,971

Funding Comments:

Project Number: 23039
Project Name: Reservoir 4 Re-Coating Project
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Shan **Board Approval:**

Project Description:

The District owns and operates 24 welded steel drinking water storage tanks. The District’s goal, and the industry standard for welded steel tanks, is to complete a recoating every 15 years to minimize the need for structural repair and maintain the 75 to 100-year life expectancy of these assets. Tanks are critical to the reliable operation of the potable water system and are sized to provide demand equalization, emergency, and fire flow volume. Reservoir 4 Tank was identified to be re-coated in the 2024 - 2028 CIP period, as planned in the Water Storage Tank Replacement & Rehabilitation Program.

Reservoir 4 is a 0.5 MG welded steel potable water tank that was originally constructed in 2000. An inspection conducted in 2023 revealed that Res 4’s interior and exterior coatings are in fair to poor condition, and the tank’s structural integrity is impaired. Recommended repair work from the Basis of Design Report consists of roof replacement, interior and exterior re-coating and spot repairs. Construction cost for this project is based on an AACE Class 4 estimate (15% level project definition) and includes an 30% contingency appropriate for this level of project definition. The project is in final design phase, and construction is scheduled to last from January to April 2025.

Basis for Priority:

Life cycle replacement of District assets due to age and degradation. Periodic repair and replacement projects help maintain tanks’ operational capacities.

Project Financial Summary:			
Funded to Date:	\$ 31,484	Expenditures through end of year:	\$ 31,484
Spent to Date:	\$ 28,360	2025 - 2029 Planned Expenditures:	\$ 1,757,120
Cash flow through end of year:	\$ 3,124	Total Project Estimate:	\$ 1,788,604
Project Balance	\$ -	Additional Funding Required	\$ 1,757,120

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Construction	\$ 1,580,800					\$ 1,580,800
Construction support services	\$ 79,040					\$ 79,040
Construction mangement and inpection	\$ 79,040					\$ 79,040
Capitalized labor	\$ 18,240					\$ 18,240
TOTAL	\$ 1,757,120	\$ -	\$ -	\$ -	\$ -	\$ 1,757,120

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$1,757,120
			\$0
			\$0
Total	100%		\$1,757,120

Funding Comments:

Project Number: 23040
Project Name: Reservoir 7 Re-Coating Project
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Shan **Board Approval:**

Project Description:

The District owns and operates 24 welded steel drinking water storage tanks. The District’s goal, and the industry standard for welded steel tanks, is to complete a recoating every 15 years to minimize the need for structural repair and maintain the 75 to 100-year life expectancy of these assets. Tanks are critical to the reliable operation of the potable water system and are sized to provide demand equalization, emergency and fire flow volume. Reservoir 7A Tank was identified to be re-coated in the 2024 - 2028 CIP period, as planned in the Water Storage Tank Replacement & Rehabilitation Program.

Reservoir 7A (Res 7A) is a 3.9 MG welded steel potable water tank that was originally constructed in 2004. An inspection conducted in 2024 revealed that Res 7A's interior and exterior coatings are in poor condition, and the tank's structural integrity is impaired. Recommended repair work from the Basis of Design Report consists of roof replacement, interior and exterior re-coating and intent piping modifications. Re-coating of Tank 7B exterior was added to the project to synchronize with the piping modification work. Construction cost for this project is based on an AACE Class 4 estimate (15% level project definition) and includes an 30% contingency appropriate for this level of project definition. The project is in final design phase, and construction is scheduled to last from February to August 2025.

Basis for Priority:

Life cycle replacement of District assets due to age and degradation. Periodic repair and replacement projects help maintain tanks' operational capacities.

Project Financial Summary:			
Funded to Date:	\$ 245,555	Expenditures through end of year:	\$ 245,555
Spent to Date:	\$ 217,097	2025 - 2029 Planned Expenditures:	\$ 6,791,304
Cash flow through end of year:	\$ 28,458	Total Project Estimate:	\$ 7,036,859
Project Balance	\$ -	Additional Funding Required	\$ 6,791,304

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Construction	\$ 6,089,200					\$ 6,089,200
Construction support services	\$ 304,460					\$ 304,460
Construction management and Inspection	\$ 304,460					\$ 304,460
Capitalized labor	\$ 93,184					\$ 93,184
TOTAL	\$ 6,791,304	\$ -	\$ -	\$ -	\$ -	\$ 6,791,304

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$6,791,304
			\$0
			\$0
Total	100%		\$6,791,304

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Water

Project Number: 23046
 Project Name: Ridgeview Pump Station Rehabilitation
 Project Category: Reliability & Service Level Improvements
 Priority: 2 PM: TBD Board Approval:

Project Description:

The Ridgeview pump station is located next to the 1 MG Ridgeview tank and needs to be assessed for replacement. The CIP will evaluate the facility, determine remaining useful life and identify components that must be replaced, or if full replacement is warranted.

Basis for Priority:

Life cycle evaluation of an aging asset to maintain service reliability.

Project Financial Summary:			
Funded to Date:	\$ 46,345	Expenditures through end of year:	\$ 10,918
Spent to Date:	\$ 10,918	2025 - 2029 Planned Expenditures:	\$ 100,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 110,918
Project Balance	\$ 35,427	Additional Funding Required	\$ 64,573

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning						\$ -
Design		\$ 100,000				\$ 100,000
Construction						\$ -
						\$ -
TOTAL	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

Project Number: 23047
Project Name: Rancho Del Sol Pressure Reducing Station
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Carrington **Board Approval:**

Project Description:

Water customers in the Rancho Del Sol area are receiving water at pressures in excess of District standards. Staff engaged with a design consultant to develop a Basis of Design Report (BODR) to determine a solution for the pressure issue. The BODR recommended a new pressure reducing station on Puerta Del Sol Road to alleviate excessive pressures; which will reduce damage to customer water fixtures and increase the useful life of District assets downstream.

Basis for Priority:

This project will reduce excessive water pressures to meet District standards.

Project Financial Summary:			
Funded to Date:	\$ 50,000	Expenditures through end of year:	\$ 18,135
Spent to Date:	\$ 8,135	2025 - 2029 Planned Expenditures:	\$ 400,000
Cash flow through end of year:	\$ 10,000	Total Project Estimate:	\$ 418,135
Project Balance	\$ 31,865	Additional Funding Required	\$ 368,135

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design		\$ 75,000				\$ 75,000
Environmental		\$ 25,000				\$ 25,000
Construction			\$ 300,000			\$ 300,000
TOTAL	\$ -	\$ 100,000	\$ 300,000	\$ -	\$ -	\$ 400,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

Project Number: 23051
Project Name: Sly Park Outlet Control Facility Improvements
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Kessler **Board Approval:**

Project Description:

The low-level outlet for Sly Park Dam serves as the facility for regulating flows into the Camino Conduit which are then conveyed to Reservoir A WTP. Reservoir A is dependent on these outlet controls for regulating its flows according to water supply demands, filter backwashes, and maintenance curtailments. The project includes design and replacement of electrical and hydraulic components to meet current codes and improve reliability. Many of these components have been in service for over 70 years, are no longer reliable, and replacement parts for maintaining the original equipment are not available. Regulation of flows into the Camino Conduit from the control building at the base of Sly Park Main Dam is a critical function for utilizing our largest and most versatile water storage facility, Sly Park Reservoir, and maintaining water supply to the greater service area from Pollock Pines to El Dorado Hills. A condition assessment conducted in 2023/2024 recommended a comprehensive replacement of power supply and hydraulic control equipment, and that it should be carried out in an expeditious manner. The recommended electrical upgrades are in-progress and are being performed by District staff. The next steps will include:

- Preparing as-built electrical drawings
- Preparing hydraulic system design drawings and specifications, and integrating the electrical drawings - Preparing construction bid documents, performing bidding and awarding contract
- Performing hydraulic control component upgrades replacing the operator cylinders for Gates 1, 2 and 3 with modern HAS units integrated with hydraulic power systems directly on the cylinder

Basis for Priority:

The project will improve reliability of a critical water facility.

Project Financial Summary:			
Funded to Date:	\$ 50,000	Expenditures through end of year:	\$ 80,173
Spent to Date:	\$ 30,173	2025 - 2029 Planned Expenditures:	\$ 580,000
Cash flow through end of year:	\$ 50,000	Total Project Estimate:	\$ 660,173
Project Balance	\$ (30,173)	Additional Funding Required	\$ 610,173

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning						\$ -
Design Support & CM	\$ 55,000					\$ 55,000
Construction	\$ 500,000					\$ 500,000
Capitalized Labor	\$ 25,000					\$ 25,000
TOTAL	\$ 580,000	\$ -	\$ -	\$ -	\$ -	\$ 580,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$610,173
Total	100%		\$610,173

Funding Comments: A Funding Request for \$90,000 will be considered by the Board at its 9/9/24 meeting that would allow Hydraulic Design to be completed in 2024

2025

CAPITAL IMPROVEMENT PLAN

Program:

Water

Project Number: 24001
Project Name: AMR and Small Meter Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** P. Heape **Board Approval:**

Project Description:

This project replaces old, inaccurate, or broken meters and adds automated meter read capability to existing meters enabling reading of all meters in time for billing. It also includes the targeted replacement of all remaining 5/8" meters in our system. The project decreases labor expenses associated with manually reading meters and inputting the data into the computer system. It also avoids loss of confidence due to inaccurate or estimated reads. Continued implementation of meter replacement and AMR technology keeps the District in compliance with AB 3206 and all provisions of 23 CCR § 700. Project funding allows the installation of approximately 250 radio read meters per year.

Basis for Priority:

Inaccurate or broken meters reduce revenue received by the District and prevent us from knowing the true amount of non-revenue water, potentially affecting the District's decision making processes.

Project Financial Summary:			
Funded to Date:	\$ 360,000	Expenditures through end of year:	\$ 360,000
Spent to Date:	\$160,455	2025 - 2029 Planned Expenditures:	\$ 2,010,000
Cash flow through end of year:	\$ 199,545	Total Project Estimate:	\$ 2,370,000
Project Balance	\$ -	Additional Funding Required	\$ 2,010,000

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Implementation	\$325,000	\$350,000	\$350,000	\$350,000	\$350,000	\$ 1,725,000
Capitalized Labor	\$35,000	\$50,000	\$50,000	\$75,000	\$75,000	\$ 285,000
TOTAL	\$ 360,000	\$ 400,000	\$ 400,000	\$ 425,000	\$ 425,000	\$ 2,010,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$360,000
Total	100%		\$360,000

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Water

Project Number: 24006
 Project Name: Water Model - Validation and Update
 Project Category: Reliability & Service Level Improvements
 Priority: 3 PM: Carrington Board Approval:

Project Description:

The District maintains a system-wide hydraulic water model. Regular updates are needed to verify fire flow and water quality.

Basis for Priority:

Hydraulic water modeling is necessary to inform capacity limitations and water age in the system.

Project Financial Summary:			
Funded to Date:	\$ 60,000	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 225,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 225,000
Project Balance	\$ 60,000	Additional Funding Required	\$ 165,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$ 125,000		\$ 50,000		\$ 50,000	\$ 225,000
Environmental						\$ -
Construction						\$ -
						\$ -
TOTAL	\$ 125,000	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ 225,000

Funding Sources	Percentage	2025	Amount
Water FCCs	50%		\$32,500
Water Rates	50%		\$32,500
			\$0
Total	100%		\$65,000

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Water

CIP Number:

24007

CIP Name:

Construction Spoils Management

Project Category:

Reliability & Service Level Improvements

Priority:

2

PM:

Carrington

Board Approval:

Project Description:

The District's water construction crews utilize hydro excavation to perform repairs on the District's water distribution system. Hydro excavation creates wet spoils that require processing and disposal. This project will include improvements for the existing wet spoils facility in Placerville and assess a wet spoils facility on the western end of the District's service.

Basis for Priority:

A proper wet spoils handling facility will improve and streamline water operations efficiency in handling spoils from our excavations and replacement work.

Project Financial Summary:			
Funded to Date:	\$ 35,000	Expenditures through end of year:	\$ 34,269
Spent to Date:	\$ 22,269	2025 - 2029 Planned Expenditures:	\$ 25,000
Cash flow through end of year:	\$ 12,000	Total Project Estimate:	\$ 59,269
Project Balance	\$ 731	Additional Funding Required	\$ 24,269

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$ 25,000					\$ 25,000
Environmental						\$ -
Construction						\$ -
TOTAL	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$24,269
			\$0
			\$0
Total	100%		\$24,269

Funding Comments:

Project Number: 24011
Project Name: EDH Water Treatment Plant Improvements
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Eden-Bishop **Board Approval:**

Project Description:

This program consists of long term capital improvements identified in the El Dorado Hills Water Treatment Plant (EDHWTP) Master Plan prepared as part of the WTP Asset Management Plan (AMP). The project replaces and/or upgrades all major treatment plant processes with some limited added capacity with the ability to expand the WTP plant capacity to 24 mgd. A Basis of Design report (BODR), detailed design, and construction are planned for the 2025-2029 CIP planning horizon with additional expenditures of \$4.2 M in 2030. Cost estimates were prepared consistent with Association for the Advancement of Cost Engineering guidelines for a Class 4 estimate. Class 4 estimates are based on limited information and are typically used for project screening, determination of feasibility, conceptual evaluation, and preliminary budget approval for the next stage. The typical expected accuracy range for this class estimate is 30% - 50% percent on the high side. Cost estimates will be updated through the project phases with contingencies appropriate for the respective level of design detail.

Basis for Priority:

Replacement and improvements to inefficient processes, obsolete controls, and end of life facilities will support regulatory compliance, improve service reliability, and reduce maintenance costs. This project is required to protect and preserve the health and safety of customers and the public.

Project Financial Summary:			
Funded to Date:	\$ 40,000	Expenditures through end of year:	\$ 53,710
Spent to Date:	\$ 53,710	2025 - 2029 Planned Expenditures:	\$ 99,465,333
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 99,519,044
Project Balance	\$ (13,710)	Additional Funding Required	\$ 99,479,044

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Basis of Design Report	\$ 1,700,000	\$ -	\$ -	\$ -	\$ -	\$ 1,700,000
Design	\$ 1,333,333	\$ 2,980,000		\$ -	\$ -	\$ 4,313,333
EIR	\$ 500,000	\$ 500,000				\$ 1,000,000
Phase 1 Construction			\$ 26,666,667	\$ 26,666,667	\$ 26,666,667	\$ 80,000,000
Eng. during construction			\$ 1,725,000	\$ 1,725,000	\$ 1,725,000	\$ 5,175,000
Constructon management			\$ 1,725,000	\$ 1,725,000	\$ 1,725,000	\$ 5,175,000
Inspection			\$ 450,000	\$ 450,000	\$ 450,000	\$ 1,350,000
Capitalized labor	\$ 300,000	\$ 113,000	\$ 113,000	\$ 113,000	\$ 113,000	\$ 752,000
TOTAL	\$ 3,833,333	\$ 3,593,000	\$ 30,679,667	\$ 30,679,667	\$ 30,679,667	\$ 99,465,333

Estimated Funding Sources	Percentage	2025	Amount
2024/2027 Bond	100%		\$3,847,044
Total	100%		\$3,847,044

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Water

Project Number:

24027

Project Name:

Placerville Drive Hangtown Creek Bridge Replacement

Project Category:

State/County Road Projects

Priority:

1

PM:

Delongchamp

Board Approval:

Project Description:

The City of Placerville is replacing the existing Placerville Drive Hangtown Creek Bridge. Currently, the District has an existing 8" waterline in the existing bridge to provide water to western Placerville that will need to be replaced with the Bridge replacement. The District has a secondary connection that will be used to feed that portion of the District during construction. The District will replace the existing line with a new line in the bridge concurrent with the City's project. This will be bid as part of the City's project, the Board approved an agreement with the City of Placerville in June 2024.

Design started in late 2024, and is expected to be complete in early 2025. Following Design, the City of Placerville will acquire right-of-way for the project. Construction bidding will take place in the Fall of 2025, and construction is expected to start in the Spring of 2026 and take 1 year to complete.

Basis for Priority:

The District must replace the waterline to accommodate the City's bridge project per a Board-approved agreement with the City of Placerville.

Project Financial Summary:

Funded to Date:	\$ 195,049	Expenditures through end of year:	\$ 92,147
Spent to Date:	\$ 2,147	2025 - 2029 Planned Expenditures:	\$ 1,130,000
Cash flow through end of year:	\$ 90,000	Total Project Estimate:	\$ 1,222,147
Project Balance	\$ 102,902	Additional Funding Required	\$ 1,027,098

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$ 30,000					\$ 30,000
Construction Inspection		\$ 80,000	\$ 20,000			\$ 100,000
Construction		\$ 900,000	\$ 100,000			\$ 1,000,000
TOTAL	\$ 30,000	\$ 980,000	\$ 120,000	\$ -	\$ -	\$ 1,130,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
Total	100%		\$0

Funding Comments:

Project Number: 24034
Project Name: El Dorado Trail Pressure Reducing Station #1 Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Keeler **Board Approval:**

Project Description:

The District has numerous pressure reducing stations throughout the service area to keep line pressures within acceptable ranges as it travels from Pollock Pines down to El Dorado Hills. The District has a pressure reducing station program that identifies specific stations to rehabilitate, replace or upgrade to maintain service reliability throughout the District. Loss of pressure control or valve failure can result in extensive water line damage or complete failure.

The current El Dorado Trail PRS1 has failing valves that have outlived their useful life. This station is vital to reducing the pressure for the lower elevation communities off Big Barn Road, Ive Knoll Drive, and Mining Brook Road.

Basis for Priority:

This project will replace an asset at the end of useful life.

Project Financial Summary:			
Funded to Date:	\$ 70,000	Expenditures through end of year:	
Spent to Date:	\$ 14,612	2025 - 2029 Planned Expenditures:	
Cash flow through end of year:	\$ 10,000	Total Project Estimate:	
Project Balance	\$ 45,388	Additional Funding Required	\$ -

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design						\$ -
Environmental						\$ -
Construction	\$ 50,000					\$ 50,000
TOTAL	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$4,612
Total	100%		\$4,612

Funding Comments:

Project Number: 24037.01
Project Name: DSM PRS 22 Integration
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Shan **Board Approval:**

Project Description:

The Diamond Springs Main (DSM), and reservoirs along the DSM, are key transmission and storage facilities that not only supply customers, but also buffer the DSM between system demand and production at Res A Water Treatment Plant (WTP). This is largely achieved by adjusting rate of flow on pressure reducing valves along the DSM. The valves at DSM PRS22, installed 20 years ago upstream of Reservoir 9, are not PLC-controlled and thus fluctuate with changes in upstream pressure on the rate of flow filling the tank. Sudden or quick changes negatively impact the hydraulics in the DSM and create low pressure conditions to customers who are directly served off the transmission main and also cause fluctuations at Reservoir 7 upstream and Reservoir 12 downstream.

This project evaluates modification or replacement required to integrate the valves at DSMPRS22 into the PLC, to allow for operator control for flow and tank level control. The preliminary budget includes study (underway), design and construction.

Basis for Priority:

The DSM is a key transmission main in the District's system that serves a large percentage of the District's customers. DSMPRS22 reliability issues affects the operation of the DSM and ultimately lead to low pressure or high pressure conditions that could lead to physical damage to the pipeline over time.

Project Financial Summary:			
Funded to Date:	\$ 50,000	Expenditures through end of year:	\$ 35,000
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 638,750
Cash flow through end of year:	\$ 35,000	Total Project Estimate:	\$ 673,750
Project Balance	\$ 15,000	Additional Funding Required	\$ 623,750

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$ 75,000					\$ 75,000
Construction	\$ 55,000	\$ 495,000				\$ 550,000
Capitalized Labor (PM + CM + Env)	\$ 8,250					\$ 8,250
Other (ESDC, Permit)	\$ 5,500					\$ 5,500
TOTAL	\$ 143,750	\$ 495,000	\$ -	\$ -	\$ -	\$ 638,750

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$128,750
			\$0
			\$0
Total	100%		\$128,750

Funding Comments:

Project Number: 24039.02
Project Name: Res 1 Backwash Waste Pump Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Shan **Board Approval:**

Project Description:

Reservoir 1 Water Treatment Plant (WTP)'s Backwash-to-Waste pumps have reached the end of useful life since installed in 1989. These pumps send filter backwash water to a storage tank at the head of the plant to return the water to plant headworks. Additionally, these pumps have the ability to pump water from the sedimentation basin, with the plant offline, to empty the basin prior to bringing the plant back online. Both pumps are needed for operation.

This project will evaluate if the existing pump capacity is appropriate to meet operation objectives, and replace the old pumps with new. The preliminary budget includes study (underway), design, construction and staff time.

Basis for Priority:

It is not possible to predict when the pumps will fail again, and there is no bypass to the backwash pumps. If either pump fails, plant capacity or even water quality will be impacted.

Project Financial Summary:			
Funded to Date:	\$ 50,000	Expenditures through end of year:	\$ 65,000
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 500,000
Cash flow through end of year:	\$ 65,000	Total Project Estimate:	\$ 565,000
Project Balance	\$ (15,000)	Additional Funding Required	\$ 515,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design						\$ -
Construction						\$ -
Capitalized Labor (PM + CM)	\$ -					\$ -
Procurement	\$ 500,000					\$ 500,000
Other (ESDC, Permit)	\$ -					\$ -
TOTAL	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$515,000
			\$0
			\$0
Total	100%		\$515,000

Funding Comments:

Project Number: 24040.01
Project Name: Res A Backwash-to-Waste Valve Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Shan **Board Approval:**

Project Description:

The Reservoir A WTP has backwash-to-waste valves that are an integral part of the backwashing of all twelve filter cells. These valves have reached the end of their useful life, have signs of degradation, corrosion, and operate unreliably. Eight of the twelve valves are located deep in a tight pit in the center of each filter cluster with access being a safety concern due to being a confined space and a constant corrosive atmosphere. As the valves age even further the need to access the backwash-to-waste valves to assist in their proper operation has significantly increased. The unreliability of the valves to operate properly requires that a treatment plant operator to make confined space access to operate the valve as desired to perform a backwash. Backwashing the filters is integral to the successful operation of the entire treatment plant. Properly operated backwashing processes can significantly reduce the risk of complete filter failures. These valves are used to drain the backwash water to the equalization basin to be pumped to the drying beds to settle all suspended solids and recirculate the settled water to the headworks of the plant.

This project will replace both the valves and their actuators for all filter cells, and move Filter Cell 1 - 8's actuators above platform for ease of access, similar to those of Filter Cell 9-12. The preliminary budget includes all phases of the project including District's staff time.

Basis for Priority:

The backwash to waste valves leak thus allowing water to reach the equalization basin which ultimately must be pumped to the drying beds and returned to the headworks of the plant. Additionally, when maintenance is performed the access to the controls to manually assist closing and opening is a safety concern due to the confined space. Finally, repair parts are harder to secure and are in limited supply. There is no bypass to the back-to-wash valves and they are critical to the filtration process, if failed, plant capacity or even water quality will be impacted.

Project Financial Summary:			
Funded to Date:	\$ 50,000	Expenditures through end of year:	\$ 61,000
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 2,359,000
Cash flow through end of year:	\$ 61,000	Total Project Estimate:	\$ 2,420,000
Project Balance	\$ (11,000)	Additional Funding Required	\$ 2,370,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$ 104,000					\$ 104,000
Construction	\$ 1,000,000	\$ 955,000				\$ 1,955,000
Capitalized Labor (PM + CM)		\$ 250,000				\$ 250,000
Procurement						\$ -
Other (ESDC, Permit)	\$ 50,000					\$ 50,000
TOTAL	\$ 1,154,000	\$ 1,205,000	\$ -	\$ -	\$ -	\$ 2,359,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$1,165,000
			\$0
			\$0
Total	100%		\$1,165,000

Funding Comments:

Project Number: 24041
Project Name: EDMPRS Flow Meter Upgrade
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Keeler **Board Approval:**

Project Description:

The District has numerous pressure reducing stations that are not automated requiring staff to manually set the rate of flow for the altitude stations to fill tanks. Reservoirs 3, 4, 5, and 6 are in need of individual flow meters for the altitude valves in order to validate the flow settings to better manage the demand and operation of El Dorado Main #1 and #2. Having flow meters allows staff to know when tanks are filling and when there is available water that can be sent to Cameron Park or El Dorado Hills depending on the need. Staff proposes to install Toshiba zero upstream and downstream flow meters similar to those installed at EDM1PRS4 and EDM2PRS5. Testing has proven these flow meters are accurate and capable of handling the swings in demand seen on both of these transmission lines. Staff has tried other flow meter brands and has not had success with the limitations in the pressure reducing stations requiring laminar flow to be accurate. Staff is proposing to implement 2 – 6”, 3 – 8”, and 1 – 14” flow meters as part of this project. The Reservoir 1 WTP Planned Phase 1 Improvements project will not be completed this year. Therefore, planned 2024 expenditures for that project will be utilized to fund this project to improve distribution operations.

Basis for Priority:

This project will install flow meters to help improve operation of a portion of the transmission system.

Project Financial Summary:			
Funded to Date:	\$ 65,000	Expenditures through end of year:	\$ 25,000
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 40,000
Cash flow through end of year:	\$ 25,000	Total Project Estimate:	\$ 65,000
Project Balance	\$ 40,000	Additional Funding Required	\$ -

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning						\$ -
Design						\$ -
Procurement	\$ 40,000					\$ 40,000
						\$ -
TOTAL	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Water

Project Number: PLANNED
Project Name: Combellack and Middletown Road Waterline Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** TBD **Board Approval:**

Project Description:

This project consists of constructing a 12-inch waterline between Highway 49 and the Placerville Drive service area. Currently the Placerville Drive service area has a single feed and approximately 2,000 customers would be impacted during a single valve closure. This project would create redundancy and allow for this area to be supplied from Reservoir 4 as well as Reservoir 6. Construction expenditures will be included once a Basis of Design report and design is completed.

Basis for Priority:

This project will create operational flexibility and minimize the number of customers affected during a valve closure west of Reservoir 6.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 200,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 200,000
Project Balance	\$ -	Additional Funding Required	\$ 200,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning		\$ 50,000				\$ 50,000
Design			\$ 150,000			\$ 150,000
Construction						\$ -
						\$ -
TOTAL	\$ -	\$ 50,000	\$ 150,000	\$ -	\$ -	\$ 200,000

Funding Sources	Percentage	2025	Amount
Water FCCs	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

Project Number: PLANNED
Project Name: EI Dorado Hills Raw Water Pump Station 4160 Enclosure
Project Category: Reliability & Service Level Improvements
Priority: 3 **PM:** TBD **Board Approval:**

Project Description:

OSHA requires that live electrical parts be deenergized before the employee works on or near them, unless the employer can demonstrate that deenergizing introduces additional or increased hazards or is infeasible due to equipment design or operational limitations. It is infeasible to troubleshoot deenergized equipment. Enclosing 4160 volt gear will protect electrical workers from harsh weather conditions and reduce the risk of electrocution. Additionally an eye wash station should not be out in the hot sun because the water in the station can become too hot and cause burns to the eyes. The American National Standards Institute (ANSI) standard Z358.1-2014 states that the flushing fluid temperature should be between 60°F and 100°F. If the water in the eye wash station is too hot, it can cause thermal burns to the eyes and skin. This project only includes design money and no construction funding until the design is complete.

Basis for Priority:

Installation of structure provides safe access for electricians during inclement weather allowing for repairs and maintenance during winter months.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 25,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 25,000
Project Balance	\$ -	Additional Funding Required	\$ 25,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Facility Improvements		\$ 25,000				\$ 25,000
Design						\$ -
Construction						\$ -
TOTAL	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Water

Project Number: **PLANNED**
 Project Name: **EDM2 at Highway 193 Slope Stabilization**
 Project Category: **Reliability & Service Level Improvements**
 Priority: **2** PM: **TBD** Board Approval:

Project Description:

El Dorado Main No. 2 (EDM2) is located adjacent to Highway 193 in an uphill slope. Inclement weather has deteriorated the slope and adversely impacted soil surrounding EDM2. This project will restore the slope and properly stabilize the pipe.

Basis for Priority:

This project is needed to resolve storm damages potentially impacting the reliability a District transmission main.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 600,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 600,000
Project Balance	\$ -	Additional Funding Required	\$ 600,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning						\$ -
Design						\$ -
Construction		\$ 600,000				\$ 600,000
						\$ -
TOTAL	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ 600,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Water

Project Number: **PLANNED**
 Project Name: **Harris Road Waterline Replacement**
 Project Category: **Reliability & Service Level Improvements**
 Priority: **2** PM: **TBD** Board Approval:

Project Description:

The waterline within Harris Road is a 4-inch steel waterline and is in need of replacement with a 6-inch ductile iron pipe.

Basis for Priority:

The existing waterline hinders flow and is in need of upsizing.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 750,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 750,000
Project Balance	\$ -	Additional Funding Required	\$ 750,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning						\$ -
Design	\$ 150,000					\$ 150,000
Construction		\$ 600,000				\$ 600,000
						\$ -
TOTAL	\$ 150,000	\$ 600,000	\$ -	\$ -	\$ -	\$ 750,000

Funding Sources	Percentage	2025	Amount
Water FCCs	100%		\$150,000
			\$0
			\$0
Total	100%		\$150,000

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Water

Project Number: **PLANNED**
 Project Name: **Hydropneumatic Tank Assessment**
 Project Category: **Reliability & Service Level Improvements**
 Priority: **3** PM: **TBD** Board Approval:

Project Description:

The Upper Rancho Del Sol and Crestview pump stations have hydropneumatic tanks to buffer pressure surges. These tanks are in need of assessment to determine the need and timing of replacement.

Basis for Priority:

This project will determine the remaining useful life of two hydro pneumatic tanks which will inform future replacement strategy.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 50,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 50,000
Project Balance	\$ -	Additional Funding Required	\$ 50,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning		\$ 50,000				\$ 50,000
Design						\$ -
Construction						\$ -
						\$ -
TOTAL	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Water

Project Number:

PLANNED

Project Name:

Monte Vista Upgrades

Project Category:

Reliability & Service Level Improvements

Priority:

2

PM:

TBD

Board Approval:

Project Description:

The Monte Vista water system including the tank, pump station, and waterline has experienced tank leaks, pump issues, and pipe breaks. The tank, pump station, and associated pipe system is at the end of useful life and will need to be replaced. Initially, a Basis of Design (BODR) report is needed to investigate capacity issues, water quality issues, and geography before design and construction can occur. Once a solution is identified in the BODR, design and construction expenditures will be included in the CIP.

Basis for Priority:

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 100,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 100,000
Project Balance	\$ -	Additional Funding Required	\$ 100,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning		\$ 100,000				\$ 100,000
Design						\$ -
Construction						\$ -
						\$ -
TOTAL	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000

Funding Sources	Percentage	2025	Amount
Water rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Water

Project Number:

PLANNED

Project Name:

Oak Ridge Pump Station 2

Project Category:

Master Planning

Priority:

2

PM:

TBD

Board Approval:

Project Description:

The 2024 Water and Recycled Water Master Plan identified the need for the Oak Ridge Pump Station 2 to deliver additional water supply from Folsom Lake to the Bass Lake tanks service area during peak demands. Initial funding is included to prepare a basis of design report for the pump station and also evaluate the need for a new finished water transmission main to help deliver water from EDHWTP to the new Oak Ridge pump station. The timing of construction is unknown at this time.

Basis for Priority:

Project is needed to provide capacity for new development as approved by the County.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 300,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 300,000
Project Balance	\$ -	Additional Funding Required	\$ 300,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning			\$ 200,000	\$ 100,000		\$ 300,000
Design						\$ -
Construction						\$ -
						\$ -
TOTAL	\$ -	\$ -	\$ 200,000	\$ 100,000	\$ -	\$ 300,000

Funding Sources	Percentage	2025	Amount
Water FCCs	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Water

Project Number: **PLANNED**
 Project Name: **Pleasant Valley Road Bulk Water Station Upgrades**
 Project Category: **Reliability & Service Level Improvements**
 Priority: **1** PM: **TBD** Board Approval:

Project Description:

The existing bulk water station located at 4280 Pleasant Valley Road in Placerville has had multiple near miss accidents reported to the District. The District would like to make updates to the driveway entrance to make it safer for the public and for District staff who access the site.

Basis for Priority:

100% safety is one of the District's guiding principles. By making updates to the driveway the District can help prevent near miss accidents.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 195,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 195,000
Project Balance	\$ -	Additional Funding Required	\$ 195,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning		\$ 20,000				\$ 20,000
Design		\$ 50,000				\$ 50,000
Construction			\$ 125,000			\$ 125,000
TOTAL	\$ -	\$ 70,000	\$ 125,000	\$ -	\$ -	\$ 195,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Water

Project Number: **PLANNED**
 Project Name: **Pleasant Oak Main / Diamond Springs Main Transmission Upgrades**
 Project Category: **Master Planning**
 Priority: **2** PM: **TBD** Board Approval:

Project Description:

The 2024 Water and Recycled Water Master Plan identified the need for largescale transmission improvements to relieve bottlenecks in the Pleasant Oak Main and Diamond Springs Main as demands increase. Funding is planned to begin to assess these improvements and advance them beyond a master planning level.

Basis for Priority:

Projects are needed to provide capacity for new development as approved by the County

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 200,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 200,000
Project Balance	\$ -	Additional Funding Required	\$ 200,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning				\$ 100,000	\$ 100,000	\$ 200,000
Design						\$ -
Construction						\$ -
						\$ -
TOTAL	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 200,000

Funding Sources	Percentage	2025	Amount
Water FCCs	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

Project Number: PLANNED
Project Name: Pressure Reducing Station Rehabilitation and Replacement Program
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** TBD **Board Approval:**

Project Description:

The District has 246 pressure reducing stations throughout the service area to keep line pressures within acceptable ranges as it travels from Pollock Pines down to El Dorado Hills. Many of these stations are in varying degrees of repair or rehabilitation based on age, construction, and design life cycle. This program is to identify specific stations to rehabilitate, replace or upgrade to maintain service reliability throughout the District. Staff examines each pressure reducing station to determine if the station can be rehabilitated in place or if a new station needs to be constructed in parallel with the existing station. Staff has been able to rehabilitate the larger transmission stations in place utilizing the existing vaults while adding a protective layer of coating on the vault and all pipework, new isolation valves, and installing new pressure reducing valves. Due to the construction of the smaller below ground pressure reducing stations they typically require a complete replacement to an above ground location where possible. By moving the smaller facilities above ground it removes the confined space entry for operation and maintenance while also providing a dry environment for prolonged life for external coatings. Loss of pressure control or valve failure can result in extensive water line damage or complete failure. Program management expenditures identified include prioritizing and designing each PRS replacement. Staff reviews the list of pressure reducing valves each year and based on failures or other noted deficiencies prioritizes the stations to be included in this program. Actual PRS replacement costs for each individual station will be brought to the Board for specific approval.

2025: Design EDM1 PRS13 (located at Reservoir 6).

2026: Construct EDM1 PRS13 (located at Reservoir 6).

2027: Conduct a study of existing pressure reducing stations and develop a replacement and rehabilitation plan.

2028: Unkown

2029: Unknown

Basis for Priority:

Existing stations are incurring increasing maintenance costs and reduced service reliability due to age and degradation.

Project Financial Summary:

Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 1,750,000
Cash flow through end of year:		Total Project Estimate:	\$ 1,750,000
Project Balance	\$ -	Additional Funding Required	\$ 1,750,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design / Study	\$250,000		\$500,000			\$ 750,000
Construction		\$1,000,000				\$ 1,000,000
TOTAL	\$ 250,000	\$ 1,000,000	\$ 500,000	\$ -	\$ -	\$ 1,750,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$250,000
Total	100%		\$250,000

Funding Comments:

Project Number: PLANNED
Project Name: Pump Station Rehabilitation and Replacement Program
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** TBD **Board Approval:**

Project Description:

The District has numerous distribution pump stations throughout the water service area that increase pressures to customers at higher elevations. This is an annual program to replace, rehabilitate or upgrade pump stations that have reached the end of their service life. Engineering and Operations staff identify and prioritize pump stations at the end of useful life to ensure reliable supply of water pressure and flow, to comply with fire flow requirements, and to incorporate emergency standby power where needed. Replacement components include pumps, hydro pneumatic tanks, electrical control, valves, yard piping, SCADA equipment, and buildings to accommodate equipment.

Staff reviews the list of pumps each year and prioritizes the stations to be included in this program based on failures or other noted deficiencies. This programmatic CIP is for pump station replacement and rehabilitation projects that have been identified, but have not been assigned a project number. Construction expenditures will be refined as designs are completed.

- 2026: Design Quartz Pump Station
- 2027: Construct Quartz Pump Station, Design Reservoir 8 Pump Station
- 2028: Construct Reservoir 8 Pump Station, Design Oak Lane Pump Station
- 2029: Construct Oak Lane Pump Station

Basis for Priority:

This project replaces assets at the end of useful life.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 1,075,000
Cash flow through end of year:		Total Project Estimate:	\$ 1,075,000
Project Balance	\$ -	Additional Funding Required	\$ 1,075,000

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Design		\$ 75,000	\$ 100,000	\$ 100,000		\$ 275,000
Construction			\$ 200,000	\$ 300,000	\$ 300,000	\$ 800,000
TOTAL	\$ -	\$ 75,000	\$ 300,000	\$ 400,000	\$ 300,000	\$ 1,075,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
Total	100%		\$0

Funding Comments:

Project Number: PLANNED
Project Name: Res 1 Water Treatment Plant Improvements
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** TBD **Board Approval:**

Project Description:

The Reservoir 1 Water Treatment Improvements consists of capital improvements identified in the Implementation Plan prepared as part of the WTP Asset Management Plan. Based on other WTP improvement priorities described in the more recent Water Treatment Plant Master Plan Implementation Evaluation (Implementation Plan) and the immediate need to upgrade and expand the El Dorado Hills WTP, only the most critical Reservoir 1 improvements will be addressed in this CIP planning horizon. The highest priority improvement is the addition of washwater recovery storage. With new finished water tanks planned for the location of the existing solids lagoons, there is a critical need for solids holding on site to enable the sedimentation basin sludge to be stored. Reservoir 1 will be converted to a temporary sludge holding tank that will eventually be replaced with a mechanical dewatering facility. Cost estimates were prepared consistent with AACE guidelines for a Class 4 estimate and include a 30% contingency consistent with the level of project definition. Cost estimates will be updated through the project phases with contingencies appropriate for the respective level of project detail.

Basis for Priority:

Replacement and improvements to inefficient processes, obsolete controls, and end of life facilities will support regulatory compliance, improvement service reliability, and reduce maintenance costs. This project is required to protect and preserve the health and safety of customers and the public.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 215,000
Cash flow through end of year:		Total Project Estimate:	\$ 215,000
Project Balance	\$ -	Additional Funding Required	\$ 215,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Basis of Design Report		\$ 35,000				\$ 35,000
Design		\$ 135,000				\$ 135,000
Environmental		\$ 20,000				\$ 20,000
Construction						\$ -
Service during construction						\$ -
Construction management						\$ -
Inspection						\$ -
Capitalized labor	\$ 25,000					\$ 25,000
TOTAL	\$ 25,000	\$ 190,000	\$ -	\$ -	\$ -	\$ 215,000

Estimated Funding Sources	Percentage	2025	Amount
Water rates	100%		\$25,000
Total	100%		\$25,000

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Water

Project Number:

PLANNED

Project Name:

Reservoir A ATS Replacement

Project Category:

Reliability & Service Level Improvements

Priority:

2

PM:

TBD

Board Approval:

Project Description:

This project will design and construct a replacement automatic transfer switch (ATS) for the existing generator at Reservoir A Water Treatment Plant.

Basis for Priority:

This project will replace a failed asset.

Project Financial Summary:			
Funded to Date:	\$	-	Expenditures through end of year: \$ -
Spent to Date:	\$	-	2025 - 2029 Planned Expenditures: \$ 500,000
Cash flow through end of year:	\$	-	Total Project Estimate: \$ 500,000
Project Balance	\$	-	Additional Funding Required \$ 500,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning						\$ -
Design	\$ 100,000					\$ 100,000
Construction		\$ 400,000				\$ 400,000
						\$ -
TOTAL	\$ 100,000	\$ 400,000	\$ -	\$ -	\$ -	\$ 500,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$100,000
			\$0
			\$0
Total	100%		\$100,000

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Water

Project Number: PLANNED
Project Name: Reservoir A Filter Building Improvements
Project Category: Reliability & Service Level Improvements
Priority: 3 **PM:** TBD **Board Approval:**

Project Description:

The filter building at Reservoir A is subject to ground water infiltration through the concrete masonry block walls. Infiltration causes nuisance flooding and could damage equipment. Construction expenditures will be included in the CIP once the infiltration is evaluated, a solution designed, and a cost estimate is prepared.

Basis for Priority:

This project will correct deficiencies with an existing building.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 100,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 100,000
Project Balance	\$ -	Additional Funding Required	\$ 100,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning		\$ 50,000	\$ 50,000			\$ 100,000
Design						\$ -
Construction						\$ -
						\$ -
TOTAL	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ 100,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Water

Project Number:

PLANNED

Project Name:

Reservoir A Solids Handling

Project Category:

Reliability & Service Level Improvements

Priority:

2

PM:

TBD

Board Approval:

Project Description:

This project will develop a Basis of Design Report (BODR) for improved solids handling at Reservoir A. Once the BODR is finalized, design and construction expenditures will be included in the CIP.

Basis for Priority:

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 100,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 100,000
Project Balance	\$ -	Additional Funding Required	\$ 100,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning		\$ 100,000				\$ 100,000
Design						\$ -
Construction						\$ -
						\$ -
TOTAL	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Water

Project Number: **PLANNED**
 Project Name: **SCADA Water Hardware Replacement Program**
 Project Category: **Reliability & Service Level Improvements**
 Priority: **2** PM: **Leanos** Board Approval:

Project Description:

This funding is designated to be a rolling CIP to replace and reprogram end of life cycle SCADA hardware District-wide. Many sites are beyond the hardware life expectancy of 15 years.

Basis for Priority:

Rolling CIP to replace end of life cycle SCADA hardware, ensure service reliability, and reduce problem areas of the SCADA system that cause overtime.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 500,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 500,000
Project Balance	\$ -	Additional Funding Required	\$ 500,000

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Hardware	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 200,000
Capitalized Labor	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000
Professional Services	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 225,000
TOTAL	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$100,000
Total	100%		\$100,000

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Water

Project Number: PLANNED
Project Name: Serviceline Replacement Program
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Humbird **Board Approval:**

Project Description:

This program consists of targeted replacement of leaking water service lines throughout the District. Replacing leaking and substandard service lines with new copper water service tubing will reduce the potential for contamination of the drinking water supply, increase reliability, reduce maintenance expenditures, and decrease losses. Service line projects are prioritized with operations and engineering staff based on frequency of leaks and costs of repairs. These estimates and project locations are subject to change as the projects are better defined. The replacement work is being performed by District crews.

Basis for Priority:

Continuous line breaks affect water quality and supply reliability to customers and increase maintenance costs.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 7,750,000
Cash flow through end of year:		Total Project Estimate:	\$ 7,750,000
Project Balance	\$ -	Additional Funding Required	\$ 7,750,000

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Design	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
Construction (Various)	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 7,500,000
TOTAL	\$ 1,550,000	\$ 1,550,000	\$ 1,550,000	\$ 1,550,000	\$ 1,550,000	\$ 7,750,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$1,550,000
Total	100%		\$1,550,000

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Water

Project Number: PLANNED
Project Name: Shooting Star Waterline Extension
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** TBD **Board Approval:**

Project Description:

The Shooting Star waterline extension project will install a new 6-inch distribution waterline to disconnect services lines from the Pleasant Oak Transmission Main (POM) and reconnect to a new distribution waterline. In doing so, the full volume of water in the POM for chlorine contact time associated with treated water leaving Reservoir A WTP. Staff will initiate a Basis of Design Report (BODR) and include design and construction expenditures in a future CIP when known.

Basis for Priority:

This project will aid in refining treatment processes and potentially reduce chemical costs.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 100,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 100,000
Project Balance	\$ -	Additional Funding Required	\$ 100,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning						\$ -
Design		\$ 100,000				\$ 100,000
Construction						\$ -
						\$ -
TOTAL	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Water

Project Number: PLANNED
Project Name: Sly Park Spillway Improvements
Project Category: Regulatory Requirements

Priority: 1 PM: Kessler Board Approval:

Project Description:

Following the February 2017 Oroville Dam Spillway failure event, the California Department of Water Resources - Division of Safety of Dams required various dam owners to perform a spillway condition assessment applying the lessons learned from Oroville. Sly Park Spillway was one of the facilities selected, and while the condition assessment found Sly Park does not currently have the significant issues as did Oroville, there were several recommendations for improvement. These include: 1) Designing and installing a more durable surface on the invert of the flip bucket near the end of the spillway chute where concrete erosion and exposure of steel reinforcement has been occurring (2026 planned construction); 2) Reviewing spillway hydraulics, and based on the spillway rated capacity, develop plans for raising the height of sidewalls in the vicinity of the flip bucket where historic photos show a water stain reaching the top of the walls from previous spills much less than the design capacity (2026 planned construction). The risk of spill water overtopping the sidewalls is the potential for erosion of soil and rock outside the chute that could then undermine the structure and cause it to fail (as occurred at Oroville). 3) In addition, the right bank of the channel downstream of the concrete spillway chute needs erosion protection. The exposed soil bank is oversteepened and not durable to the high velocity flows that can discharge from the spillway. If left untreated, it could compromise the spillway structure (2026 planned construction).

Basis for Priority:

Compliance with DSOD dam safety program requirements

Table with 4 columns: Category, Amount, Description, Amount. Rows include: Funded to Date, Spent to Date, Cash flow through end of year, Project Balance, Expenditures through end of year, 2025 - 2029 Planned Expenditures, Total Project Estimate, Additional Funding Required.

Table with 7 columns: Description of Work, 2025, 2026, 2027, 2028, 2029, Total. Rows include: Design, Construction, TOTAL.

Table with 4 columns: Funding Sources, Percentage, 2025, Amount. Rows include: Water Rates, Total.

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Water

Project Number: **PLANNED**
 Project Name: **Moosehall Transmission Stabilization**
 Project Category: **Reliability & Service Level Improvements**
 Priority: **2** PM: **TBD** Board Approval:

Project Description:

The Moosehall transmission main is located along an embankment that sustained erosion during the 2017 storm events. This project will restore the slope and properly stabilize the transmission main.

Basis for Priority:

Slope stabilization for transmission pipelines due to slides causing damage to pipe benches and access roads to the facilities.

Project Financial Summary:

Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 375,000
Cash flow through end of year:		Total Project Estimate:	\$ 375,000
Project Balance	\$ -	Additional Funding Required	\$ 375,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design		\$75,000				\$ 75,000
Construction			\$300,000			\$ 300,000
						\$ -
TOTAL	\$ -	\$ 75,000	\$ 300,000	\$ -	\$ -	\$ 375,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Water

Project Number: **PLANNED**
 Project Name: **Valve Replacement Program**
 Project Category: **Reliability & Service Level Improvements**
 Priority: **2** PM: **TBD** Board Approval:

Project Description:

The District has many isolation valves in both the water transmission system and the distribution system that have failed and no longer provide proper isolation for any required shutdown of the system. These valves often are broken in either the open or closed position leaving staff no option but to expand any shutdown in the distribution or transmission system to a larger area where isolation is possible. If the valve cannot be repaired it will be replaced under this program. The District also has over 270 pressure reducing stations with isolation valves within. If the pressure reducing stations cannot be rebuilt due to failure of the isolation valves the isolation valves will be replaced under this program. This program does not identify specific valves to replace. Program management expenditures identified include prioritizing of each valve replacement.

Basis for Priority:

Existing valves are failing due to age and degradation and no longer providing proper isolation of the distribution or transmission systems.

Project Financial Summary:

Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 500,000
Cash flow through end of year:		Total Project Estimate:	\$ 500,000
Project Balance	\$ -	Additional Funding Required	\$ 500,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Construction		\$100,000	\$125,000	\$125,000	\$150,000	\$ 500,000
TOTAL	\$ -	\$ 100,000	\$ 125,000	\$ 125,000	\$ 150,000	\$ 500,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
Total	100%		\$0

Funding Comments:

Project Number: PLANNED
Project Name: Water Arc Flash Risk Assessment Program
Project Category: Regulatory Requirements
Priority: 1 **PM:** Leanos **Board Approval:**

Project Description:

This program is intended to comply with regulatory requirements imposed by OSHA in regards to electrical safety of qualified workers. Majority of the electrical equipment in the District is no longer in compliance with the current regulatory requirements and National Fire Protection Association code (NFPA 70E 2021 Standard for Electrical Safety in the Workplace). In order for District to comply and avoid potential fines, Arc Flash Risk Assessment needs to be performed for each District facility that contains electrical hazards. Due to large amount of facilities and electrical equipment, this compliance requirement cannot be completed in a single year and must be separated into manageable portions. This program will assure District stays in compliance.

Basis for Priority:

Maintain electrical safety regulatory requirements of OSHA and NFPA70E. Determine replacement and improvement strategy to support regulatory compliance, improve service reliability and safety. This study will protect and preserve the health and safety of employees and the public.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2024 - 2028 Planned Expenditures:	\$ 375,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 375,000
Project Balance	\$ -	Additional Funding Required	\$ 375,000

Description of Work	Estimated Annual Expenditures					Total
	2024	2025	2026	2027	2028	
Professional Services	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 300,000
Capitalized Labor	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000
TOTAL	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 375,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$75,000
Total	100%		\$75,000

Funding Comments:

Project Number: PLANNED
Project Name: Water Storage Tank Replacement & Rehabilitation Program
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** TBD **Board Approval:**

Project Description:

This program consists of targeted replacement and rehabilitation of drinking water storage tanks and reservoirs within the distribution system. The District operates 24 welded steel storage tanks and 7 bolted steel storage tanks, ranging in age from 8 to 58 years of age, most of which were constructed in the last 18 years as part of the District line and cover program. Additionally, the District operates 7 floating cover drinking water reservoirs ranging in age from 26 to 33 years of age. This program is to identify specific tanks and reservoirs to rehabilitate, replace, or upgrade to maintain service reliability throughout the District. This program also includes tank recoating for the welded storage tanks. Program management expenditures identified include prioritizing and designing each tank and reservoir improvement project. Actual replacement and recoating costs for each individual tank and reservoir will be brought to the Board for specific approval.

2026: Re-Coating and Structural Upgrades of Oakridge Tank #1. Design and Structural Analysis of Rancho Del Sol Tank, Reservoir 5 Tank, and Sly Park Hills Tank. Design for Reservoir 6 Tank Replacement.

2027: Re-Coating and Structural Upgrades of Rancho Del Sol Tank, Reservoir 5 Tank, and Sly Park Hills Tank. Design and Structural Analysis of Oakridge Tank #2.

2028: Re-Coating and Structural Upgrades of Oakridge Tank #2. Design and Structural Analysis of Valley View 835 Tank and Reservoir 1 Water Treatment Plant Backwash Tank.

2029: Re-Coating and Structural Upgrades of Valley View 835 Tank and Reservoir 1 Water Treatment Plant Backwash Tank. Design and Construction of Cathodic Protection in the Outingdale Lower Tank. Design and Structural Analysis of Valley View 960 Tank.

Basis for Priority:

Life cycle replacement of District assets due to age and degradation.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 8,754,969
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 8,754,969
Project Balance	\$ -	Additional Funding Required	\$ 8,754,969

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design/Planning		\$ 530,000	\$ 225,000	\$ 225,000	\$ 175,000	\$ 1,155,000
Construction		\$ 2,230,209	\$ 975,000	\$ 2,973,612	\$ 1,421,148	\$ 7,599,969
TOTAL	\$ -	\$ 2,760,209	\$ 1,200,000	\$ 3,198,612	\$ 1,596,148	\$ 8,754,969

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
Total	100%		\$0

Funding Comments:

Project Number: PLANNED
Project Name: Waterline Replacement Program
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** TBD **Board Approval:**

Project Description:

This program consists of targeted replacement of leaking waterlines within the District. Replacing leaking and substandard waterlines in the distribution system will reduce the potential for contamination of the drinking water supply, increase reliability, reduce maintenance expenditures, and decrease losses. This program also targets any pipelines near leech fields, gas lines, and electrical conduits that need to be relocated to meet current District standards. Pipeline projects are prioritized with Operations and Engineering staff based on frequency of leaks and costs of repairs. Operations staff will complete main replacements where possible with available funding for high leak prone areas and where undersized pipe is causing low pressure. These estimates and project locations are subject to change as the projects are better defined. Major expenditures have been deferred in the CIP to meet financial plan objectives however specific projects may be accelerated if funding is available.

2026: Design Highway 50 Crossings

2026 and 2027: Construct Highway 50 Crossings, Design Forni Road Waterline Replacement

Basis for Priority:

Continuous line breaks affect water quality and supply reliability to customers and increase maintenance costs. This project is required to protect and preserve the health and safety of customers and the public.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 5,435,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 5,435,000
Project Balance	\$ -	Additional Funding Required	\$ 5,435,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design		\$ 150,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 525,000
Various Small Waterline Replacements		\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 320,000
Construction (Various)		\$ 1,795,000	\$ 2,795,000			\$ 4,590,000
TOTAL	\$ -	\$ 2,025,000	\$ 3,000,000	\$ 205,000	\$ 205,000	\$ 5,435,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Water

Project Number: Planned
 Project Name: Wholesale Meter Replacement
 Project Category: Reliability & Service Level Improvements
 Priority: 2 PM: Carrington Board Approval:

Project Description:

This program replaces old and inaccurate large wholesale meters in the District. The liability to the District if this project is not implemented includes increased labor expenses for manually reading the meters and inputting manual data into the computer system, loss of revenue due to inaccurate reads and increased apparent losses. Actual wholesale meter replacement costs for each individual site will be brought to the Board for specific approval.

Basis for Priority:

Loss of revenue due to under reporting large wholesale meters.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	
Spent to Date:		2025 - 2029 Planned Expenditures:	
Cash flow through end of year:		Total Project Estimate:	
Project Balance		Additional Funding Required	

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Woodman Circle 6" Meter	\$75,000					\$ 75,000
Coloma Court (Combella Road) 8" & 2" Meters			\$275,000			\$ 275,000
Coloma Court 8" & 2" Meters		\$75,000				\$ 75,000
New Jersey 8" Fire and 2" Meters				\$150,000		\$ 150,000
Poverty Hill 6" Fire & 2" Meters					\$150,000	\$ 150,000
TOTAL	\$ 75,000	\$ 75,000	\$ 275,000	\$ 150,000	\$ 150,000	\$ 725,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$75,000
Total	100%		\$75,000

Funding Comments: Staff will seek additional grant funding from USBR WaterSmart program

2025

CAPITAL IMPROVEMENT PLAN Program:

Water

Project Number: PLANNED
Project Name: Water Treatment Plant Asset Replacement Program
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** TBD **Board Approval:**

Project Description:

This is an annual program to replace water treatment plant assets that have failed or reached end of useful life. Assets to be replaced or upgraded under this program include mechanical, electrical and instrumentation systems, treatment plant equipment and other plant assets. This program is also used to replace assets aligned with Water Treatment Plant Master Planning efforts.

Basis for Priority:

Replacement and improvements to inefficient processes, obsolete controls and substandard facilities will support regulatory compliance, improvement service reliability and reduce maintenance costs.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 3,000,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 3,000,000
Project Balance	\$ -	Additional Funding Required	\$ 3,000,000

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Facility Improvements	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 3,000,000
Design						\$ -
Construction						\$ -
TOTAL	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 3,000,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$600,000
Total	100%		\$600,000

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Water

Project Number:

PLANNED

Project Name:

Water Treatment Plant Flow Meters Upgrade

Project Category:

Reliability & Service Level Improvements

Priority:

2

PM:

TBD

Board Approval:

Project Description:

This CIP is for the replacement of our source water meters to establish accuracy of our source meters to comply with SB 555 and the Water Loss Reduction program which requires all public water systems to submit a level 1 validated water audit to DWR meeting the requirements of California Code of Regulations Title 23, Division 2, Chapter 7 and the California Water Code Section 10608.34. The validated water audit must be prepared in accordance with the method adopted by the American Water Works Association Water Audit and Loss Control Programs, Manual M36. In this methodology all measurements to determine the value of water lost starts with the amount of water leaving our plants and entering our distribution system. Annual calibration and testing are required to assign data validity scores to our data. By the year 2028 the District is expected to show some level of improvement of those scores year over year. The raw water meter determines the flow entering the plant. Flow meter installation will require excavation and installation of vaults for future maintenance needs.

Basis for Priority:

Flow meters need to be upgraded to meet SB 555.

Project Financial Summary:

Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 100,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 100,000
Project Balance	\$ -	Additional Funding Required	\$ 100,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Reservoir A Raw Water Meter Study/Design			\$ 100,000			\$ 100,000
Reservoir A Raw Water Meter Construction						\$ -
TOTAL	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
Total	100%		\$0

Funding Comments:

Wastewater Projects

Project Number: 15036
Project Name: Silva Valley - El Dorado Hills Sewer Pipeline
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Carrington **Board Approval:**

Project Description:

The 2013 Wastewater Facility Master Plan (WWMP) identified 2,100 feet of the 18"/21" sewer pipeline along Silva Valley Road and 4,500 feet of 18" sewer pipeline between Highway 50 and the El Dorado Hills Wastewater Treatment Plant as needing capacity upgrades. In order to refine the extent and timing of improvements required, flow monitoring and survey work to determine manhole invert and ground elevations was completed. Flow monitoring and survey data was incorporated into the District's collection system model to determine remaining pipeline capacity. The current capacity analysis indicates the peak wet weather flow rate in approximately 9,000 feet of sewer pipeline exceeds design capacity and is in need of capacity upgrades.

A Basis of Design (BODR) report is needed to determine the most cost effective and constructible pipe alignment considering environmental concerns and easement acquisition. Because project development is conceptual at this time, construction expenditures are not included. Once the BODR is completed, construction expenditures will be programmed into the Capital Improvement Plan.

Basis for Priority:

This project will replace undersized assets to ensure reliability and continual operation of the El Dorado Hills collection system. If the capacity limitations are not corrected, sanitary sewer overflows could occur and future connections to the collection system will be limited.

Project Financial Summary:			
Funded to Date:	\$ 245,920	Expenditures through end of year:	\$ 216,593
Spent to Date:	\$ 211,593	2025 - 2029 Planned Expenditures:	\$ 750,000
Cash flow through end of year:	\$ 5,000	Total Project Estimate:	\$ 966,593
Project Balance	\$ 29,327	Additional Funding Required	\$ 720,673

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design		\$ 150,000	\$ 200,000	\$ 200,000		\$ 550,000
Environmental			\$ 100,000	\$ 100,000		\$ 200,000
Construction						\$ -
TOTAL	\$ -	\$ 150,000	\$ 300,000	\$ 300,000	\$ -	\$ 750,000

Estimated Funding Sources	Percentage	2025	Amount
Wastewater FCCs	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

Project Number: 17046
Project Name: Strolling Hills Pipeline Improvements
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Delongchamp **Board Approval:**

Project Description:

The Motherlode Force Main transitions to gravity flow before it enters Strolling Hills Road and continues downhill toward the Deer Creek Wastewater Treatment Plant. Several services are connected directly to the 12-inch PVC pipe that conveys flows along this segment. Hydraulic capacity is restricted during large storm events and this segment of pipeline will continue to restrict flows in the Motherlode Force Main until the pipeline is upsized.

This project will include constructing 6,000 feet of increased diameter pipe. The Strolling Hills pipe was identified in the 2013 Wastewater Master Plan and confirmed in the 2021 Deer Creek Collection System Modeling Project as a capacity upgrade project. The project will be fully designed by the end of 2024.

Basis for Priority:

This project will replace undersized assets to ensure reliability and continual operation of the upstream Deer Creek collection system. This project is required to ensure full capacity of the newly upsized Motherlode Force Main can be used without compromising the strolling hills pipeline.

Project Financial Summary:			
Funded to Date:	\$ 524,724	Expenditures through end of year:	\$ 341,693
Spent to Date:	\$ 66,693	2025 - 2029 Planned Expenditures:	\$ 5,550,000
Cash flow through end of year:	\$ 275,000	Total Project Estimate:	\$ 5,891,693
Project Balance	\$ 183,031	Additional Funding Required	\$ 5,366,969

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design						\$ -
Environmental	\$ 50,000					\$ 50,000
Construction	\$ 3,500,000	\$ 2,000,000				\$ 5,500,000
TOTAL	\$ 3,550,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 5,550,000

Estimated Funding Sources	Percentage	2025	Amount
Wastewater FCCs	100%		\$3,366,969
			\$0
Total	100%		\$3,366,969

Funding Comments:

Project Number: 18003
Project Name: Indian Creek Lift Station Upgrades
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Delongchamp **Board Approval:**

Project Description:

The Indian Creek Lift Station (ICLS) was originally constructed in 1988 and serves approximately 105 equivalent dwelling units. The lift station is comprised of a wet well to collect influent flow, a separate dry well with dry pit pumps, and an electrical control house approximately 600 feet east of the existing wells. ICLS is one of twenty lift stations in the collections system that has a program logic controller (PLC) over 10 years beyond its useful life and is in need of replacement. The pumps, generator, and other mechanical components are also beyond useful life and in need of replacement. This configuration of the remote electrical control house and separated dry pit pumps pose operational safety concerns during regular maintenance and emergency situations.

The Indian Creek Lift Station Upgrades project would replace mechanical and electrical components consistent with the District's lift station standards. The PG&E power connection and main disconnect will remain at the remote control house while the new PLC, MCC, and generator will be installed near the wet well. New submersible pumps will be installed so that the dry pit pumps can be removed and the dry well can be abandoned. Minor civil improvements include a retaining wall and new fence installed around the lift station perimeter.

Basis for Priority:

This project will upgrade a degrading lift station and ensure reliability and continual operation of the station.

Project Financial Summary:			
Funded to Date:	\$ 495,788	Expenditures through end of year:	\$ 421,592
Spent to Date:	\$ 421,592	2025 - 2029 Planned Expenditures:	\$ 2,530,000
Cash flow through end of year:		Total Project Estimate:	\$ 2,951,592
Project Balance	\$ 74,196	Additional Funding Required	\$ 2,455,804

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design		\$ 25,000				\$ 25,000
Environmental		\$ 5,000				\$ 5,000
Construction		\$ 2,500,000				\$ 2,500,000
TOTAL	\$ -	\$ 2,530,000	\$ -	\$ -	\$ -	\$ 2,530,000

Estimated Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

Project Number: 21026
Project Name: St. Andrews Lift Station Upgrades
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Delongchamp **Board Approval:**

Project Description:

The St. Andrews Lift Station (SALS) was originally constructed in 1985 and serves approximately 5070 equivalent dwelling units. The lift station has undergone several upgrades throughout the years including new pumps, discharge piping, and electrical upgrades. This project will include discharge manifold modifications, upsizing of the bypass port for maintenance or emergency bypassing, and a programming update of the remote SCADA system. Although newer electrical equipment was previously installed, only a minimum amount of data points are collected and transmitted into the remote SCADA system. Increasing the amount of data remotely visible per District standards will aid in operational decision making to reduce the likelihood of sanitary sewer overflows.

Basis for Priority:

This project will optimize pump operation, maximize bypassing capabilities, and increase data remote visibility that informs operational decision making and reduces the likelihood sanitary sewer overflows, hazards to the public, and regulatory fines.

Project Financial Summary:			
Funded to Date:	\$ 48,610	Expenditures through end of year:	\$ 33,741
Spent to Date:	\$ 33,741	2025 - 2029 Planned Expenditures:	\$ 490,000
Cash flow through end of year:		Total Project Estimate:	\$ 523,741
Project Balance	\$ 14,869	Additional Funding Required	\$ 475,131

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design			\$ 30,000			\$ 30,000
Environmental			\$ 10,000			\$ 10,000
Construction			\$ 450,000			\$ 450,000
TOTAL	\$ -	\$ -	\$ 490,000	\$ -	\$ -	\$ 490,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

Project Number: 22021
Project Name: Camino Heights SCADA Upgrade
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Proctor **Board Approval:**

Project Description:

This project aims to replace existing the existing rack mounted servers at the SCADA site with a full hardware upgrade to match other SCADA sites. This will include 3 servers, VMware Licensing, 1 storage array, 2 switches, 2 firewalls and 1 stand-alone server rack with climate control.

Basis for Priority:

The current support for the Dell servers expired in July 2021 and is currently under support with Service Express. This site only has two servers and is currently monitored by Deer Creek Waste Water. The goal is to upgrade this site to be the same as the other 10 remote SCADA sites.

Project Financial Summary:			
Funded to Date:	\$ 40,000	Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 100,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 100,000
Project Balance	\$ 40,000	Additional Funding Required	\$ 60,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning						\$ -
Design						\$ -
Construction	\$ 100,000					\$ 100,000
						\$ -
TOTAL	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$60,000
			\$0
			\$0
Total	100%		\$60,000

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Wastewater

Project Number: 24008
Project Name: 2024 Collections Pipeline Replacement and Rehabilitation Project
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Delongchamp **Board Approval:**

Project Description:

The District owns and operates four collection systems within El Dorado County. Aging infrastructure necessitates active inspection and assessment of the collection system. This program will systematically develop projects to replace or rehabilitate the most critical infrastructure within the wastewater collection systems including, but not limited to pipelines and appurtenances.

This includes two projects - the 2024 Collections Rehabilitation Project and the 2024 Collections Stabilization Project. Both projects are scheduled to be constructed in 2025.

Basis for Priority:

This programmatic project will replace or rehabilitate the most critical aging infrastructure in the collection system to prevent future spills and associated regulatory fines.

Project Financial Summary:

Funded to Date:	\$ 379,790	Expenditures through end of year:	\$ 379,790
Spent to Date:	\$ 312,683	2025 - 2029 Planned Expenditures:	\$ 2,280,000
Cash flow through end of year:	\$ 67,107	Total Project Estimate:	\$ 2,659,790
Project Balance	\$ -	Additional Funding Required	\$ 2,280,000

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Design	\$ 15,000					\$ 15,000
Environmental	\$ 15,000					\$ 15,000
Construction	\$ 2,250,000					\$ 2,250,000
TOTAL	\$ 2,280,000	\$ -	\$ -	\$ -	\$ -	\$ 2,280,000

Estimated Funding Sources	Percentage	2025	Amount
Wastewater rates	100%		\$2,280,000
Total	100%		\$2,280,000

Funding Comments:

2025**CAPITAL IMPROVEMENT PLAN Program:****Wastewater**

Project Number: 24012
Project Name: El Dorado Hills Lift Station Consolidation
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Carrington **Board Approval:**

Project Description:

The 2019 El Dorado Hills Collection System Modeling Project identified capacity issues within the system as well as lift station consolidation opportunities. Six lift stations on the western side of El Dorado Hills, bordering Folsom Lake, can potentially be consolidated to a larger lift station near the Brown's Ravine area. This project includes a Basis of Design Report to identify and describe necessary improvements to consolidate the six lift stations and compare to the alternative of continual operation and upgrades of the existing stations independently. If cost effective, design, environmental, and construction expenditures will be included in future Capital Improvement Plans.

Basis for Priority:

Project will investigate operational efficiencies and methods to reduce Capital Improvement Expenditures via consolidating lift stations.

Project Financial Summary:			
Funded to Date:	\$ 214,972	Expenditures through end of year:	\$ 100,000
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 114,000
Cash flow through end of year:	\$ 100,000	Total Project Estimate:	\$ 214,000
Project Balance	\$ 114,972	Additional Funding Required	\$ -

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$ 114,000					\$ 114,000
Environmental						\$ -
Construction						\$ -
TOTAL	\$ 114,000	\$ -	\$ -	\$ -	\$ -	\$ 114,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$0
Total	100%		\$0

Funding Comments:

Project Number: 24016
Project Name: Deer Creek WWTP Secondary Clarifier Upgrades
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** TBD **Board Approval:**

Project Description:

The Deer Creek Wastewater Treatment Plant has three secondary clarifiers; two of a newer and more robust design and one of an older, antiquated design. The oldest secondary clarifier is at the end of useful life and has on-going equipment malfunctions rendering the unit inoperable for periods of time. This project will upgrade one of three secondary clarifiers by removing all the mechanical components, repairing the concrete tank, and installing new and more robust mechanical equipment.

Basis for Priority:

This project will replace a treatment asset at the end of useful life to maintain regulatory compliance, improve service reliability, and reduce maintenance costs.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 1,650,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 1,650,000
Project Balance	\$ -	Additional Funding Required	\$ 1,650,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning						\$ -
Design	\$ 150,000					\$ 150,000
Construction		\$ 1,500,000				\$ 1,500,000
						\$ -
TOTAL	\$ 150,000	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,650,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$150,000
			\$0
			\$0
Total	100%		\$150,000

Funding Comments:

Project Number: 24030.02
Project Name: Summit Lift Station Roof Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Shan **Board Approval:**

Project Description:

The Summit Lift Stations (Summit LS 1, 2, 3 and 5) were built in the 1980s and the wooden roof shingles are peeling away. The lift stations are located in close proximity to residential houses. The neighborhood HOA has requested the District to replace the roofing.

Basis for Priority:

Maintaining facility buildings is one of the District's routine tasks. Additionally, timely response to public's requests helps maintain a good working relationship between the District and the public.

Project Financial Summary:			
Funded to Date:	\$ 25,000	Expenditures through end of year:	\$ 76,832
Spent to Date:	\$ 1,832	2025 - 2029 Planned Expenditures:	\$ 79,800
Cash flow through end of year:	\$ 75,000	Total Project Estimate:	\$ 156,632
Project Balance	\$ (51,832)	Additional Funding Required	\$ 131,632

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning						\$ -
Capitalized Labor	\$ 4,800					\$ 4,800
Construction	\$ 75,000					\$ 75,000
						\$ -
TOTAL	\$ 79,800	\$ -	\$ -	\$ -	\$ -	\$ 79,800

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$131,632
			\$0
			\$0
Total	100%		\$131,632

Funding Comments:

Project Number: 24030.01
Project Name: EI Dorado Hills WWTP Headworks and Screening Upgrades
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** TBD **Board Approval:**

Project Description:

The EI Dorado Hills Wastewater Treatment Plant has a headworks and screening process unit that is at the end of useful life. The existing process unit consists of four spiral perforated screens; three of which have required rebuilds and one required replacement. Staff has sought to replace the existing spiral perforated screen; however, the replacement is insufficient to process the required capacity. A Basis of Design Report was completed and specifies an alternate screening technology with electrical and mechanical modifications to accommodate the required flow and includes industry-standard technology.

Basis for Priority:

This project will replace a treatment asset at the end of useful life to maintain regulatory compliance, improve service reliability, and reduce maintenance costs.

Project Financial Summary:			
Funded to Date:	\$ 50,000	Expenditures through end of year:	\$ 30,000
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 4,210,000
Cash flow through end of year:	\$ 30,000	Total Project Estimate:	\$ 4,240,000
Project Balance	\$ 20,000	Additional Funding Required	\$ 4,190,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design		\$ 200,000				\$ 200,000
Environmental		\$ 10,000				\$ 10,000
Construction			\$ 2,000,000	\$ 2,000,000		\$ 4,000,000
						\$ -
TOTAL	\$ -	\$ 210,000	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 4,210,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

Project Number: PLANNED
Project Name: Camino Heights Wastewater Treatment Plant Disposal Improvements
Project Category: Regulatory Requirements
Priority: 1 **PM:** TBD **Board Approval:**

Project Description:

The Camino Heights Wastewater Treatment Plant (CHWWTP) was originally constructed in 1964 and serves the Camino Heights subdivision and a small commercial area along Highway 50. The plant is comprised of headworks, pond system, disinfection, and irrigation system. The irrigation system is a combination of direct land application and sub-surface drip system. In recent years, storm events have caused excess influent flows at the treatment plant as well as difficulty with effluent disposal due to saturated soil conditions. Operations staff has relied on pump trucks to haul excess flow to the Deer Creek sewer system for disposal. A recent State Resources Control Board inquiry letter required the District to reconcile the approved discharge methods with alternative methods used during storm events. A new wet weather water balance was performed and improvement alternatives to align CHWWTP with approved discharge methods have been developed.

This project will include funding necessary to engage with regulatory agencies, perform preliminary geotechnical studies, and develop construction plans and specifications for bidding. Because project development is conceptual at this time, construction expenditures are not included. Once regulatory and study efforts are complete, construction expenditures will be programmed into the Capital Improvement Plan.

Basis for Priority:

This project will respond to a regulatory compliance inquiry from the State Water Resources Control Board.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 350,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 350,000
Project Balance	\$ -	Additional Funding Required	\$ 350,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design				\$ 150,000	\$ 150,000	\$ 300,000
Environmental					\$ 50,000	\$ 50,000
Construction						\$ -
TOTAL	\$ -	\$ -	\$ -	\$ 150,000	\$ 200,000	\$ 350,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Wastewater

Project Number:

PLANNED

Project Name:

Camino Heights Wastewater Treatment Plant Erosion Repairs

Project Category:

Reliability & Service Level Improvements

Priority:

2

PM:

TBD

Board Approval:

Project Description:

This project will repair storm-related erosion that is located on the treatment pond slopes.

Basis for Priority:

This project is needed to repair storm damages impacting the Camino Heights Wastewater Treatment Plant ponds.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 225,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 225,000
Project Balance	\$ -	Additional Funding Required	\$ 225,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning						\$ -
Design		\$ 25,000				\$ 25,000
Construction		\$ 200,000				\$ 200,000
						\$ -
TOTAL	\$ -	\$ 225,000	\$ -	\$ -	\$ -	\$ 225,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Wastewater

Project Number: **PLANNED**
 Project Name: **Collections Pipeline Replacement and Rehabilitation Program**
 Project Category: **Reliability & Service Level Improvements**
 Priority: **2** PM: **Delongchamp** Board Approval:

Project Description:

The District owns and operates four collection systems within El Dorado County. Aging infrastructure and limited funding necessitates active inspection and assessment of the collection system. This program will systematically develop projects to replace or rehabilitate the most critical infrastructure within the wastewater collection systems including, but not limited to pipelines and appurtenances.

Basis for Priority:

This programmatic project will replace or rehabilitate the most critical aging infrastructure in the collection system to prevent future spills and associated regulatory fines.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 2,850,000
Cash flow through end of year:		Total Project Estimate:	\$ 2,850,000
Project Balance	\$ -	Additional Funding Required	\$ 2,850,000

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Design		\$ 325,000		\$ 325,000		\$ 650,000
Environmental		\$ 100,000		\$ 100,000		\$ 200,000
Construction			\$ 1,000,000		\$ 1,000,000	\$ 2,000,000
TOTAL	\$ -	\$ 425,000	\$ 1,000,000	\$ 425,000	\$ 1,000,000	\$ 2,850,000

Estimated Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Wastewater

Project Number:

PLANNED

Project Name:

Collections SCADA and PLC Upgrade Program

Project Category:

Reliability & Service Level Improvements

Priority:

2

PM:

Carrington

Board Approval:

Project Description:

This program is to upgrade overall communication at the remote lift station sites. Initially, the program will implement required updates to the collections system back-end SCADA application. Once back-end programming is complete, user interface programming and replacement of end of life PLC and radio equipment at the remote lift station sites will be completed.

Basis for Priority:

The project will update the system to todays industry standards and improve reliability of a critical wastewater equipment.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ 100,000
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 700,000
Cash flow through end of year:	\$ 100,000	Total Project Estimate:	\$ 800,000
Project Balance	\$ (100,000)	Additional Funding Required	\$ 800,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$ 50,000	\$ 50,000				\$ 100,000
Environmental						\$ -
Construction	\$ 300,000	\$ 300,000				\$ 600,000
						\$ -
TOTAL	\$ 350,000	\$ 350,000	\$ -	\$ -	\$ -	\$ 700,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$450,000
			\$0
Total	100%		\$450,000

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Wastewater

Project Number: **PLANNED**
 Project Name: **DCWWTP PLC Replacement Program**
 Project Category: **Reliability & Service Level Improvements**
 Priority: **2** PM: **Leanos** Board Approval:

Project Description:

This project is to replace remaining aged PLC controllers at the facility. The spare parts are becoming scarce and very expensive to repair. This project will replace and reprogram the end of life PLC hardware and associated SCADA application at DCWWTP.

Basis for Priority:

Replace end of life cycle SCADA hardware, ensure service reliability and to reduce problem areas of the SCADA system causing overtime.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 375,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 375,000
Project Balance	\$ -	Additional Funding Required	\$ 375,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Professional Services		\$ 75,000	\$ 75,000			\$ 150,000
Construction		\$ 50,000	\$ 50,000	\$ 50,000		\$ 150,000
Capitalized Labor		\$ 25,000	\$ 25,000	\$ 25,000		\$ 75,000
						\$ -
TOTAL	\$ -	\$ 150,000	\$ 150,000	\$ 75,000	\$ -	\$ 375,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Wastewater

Project Number: **PLANNED**
 Project Name: **Durock Road - Ponderosa Forcemain Improvements**
 Project Category: **Reliability & Service Level Improvements**
 Priority: **2** PM: **Delongchamp** Board Approval:

Project Description:

This project will replace approximately 780 lineal feet of existing 6-inch AC pipe that is part of the Ponderosa Forcemain. The pipe is located within Durock Road. The existing pipe is at the end of its useful life and difficult to make repairs on due to conflicts with existing dry utilities. The project will be designed by the end of 2024, and bid with the Strolling Hills Pipeline Project.

Basis for Priority:

This project will replace infrastructure at the end of its useful life.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 690,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 690,000
Project Balance	\$ -	Additional Funding Required	\$ 690,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Capitalized Labor	\$ 50,000					\$ 50,000
Inspection		\$ 65,000				\$ 65,000
Construction		\$ 575,000				\$ 575,000
						\$ -
TOTAL	\$ 50,000	\$ 640,000	\$ -	\$ -	\$ -	\$ 690,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$50,000
			\$0
			\$0
Total	100%		\$50,000

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Wastewater

Project Number: **PLANNED**
 Project Name: **EDHWWTP SCADA Upgrade Project**
 Project Category: **Reliability & Service Level Improvements**
 Priority: **2** PM: **Leanos** Board Approval:

Project Description:

Replacement of end of life PLC equipment and SCADA upgrade at the El Dorado Hills Wastewater Treatment Plant. PLC3, PLC 5, PLC 6 & OMI SCADA front end

Basis for Priority:

This project will replace end-of-life assets to ensure reliability and continual operation of the communication network servicing the El Dorado Hills Wastewater Treatment Plant.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 1,050,000
Cash flow through end of year:		Total Project Estimate:	\$ 1,050,000
Project Balance	\$ -	Additional Funding Required	\$ 1,050,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design			\$ 250,000			\$ 250,000
Environmental						\$ -
Construction				\$ 400,000	\$ 400,000	\$ 800,000
TOTAL	\$ -	\$ -	\$ 250,000	\$ 400,000	\$ 400,000	\$ 1,050,000

Estimated Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%	\$	-
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Wastewater

Project Number: **PLANNED**
 Project Name: **EI Dorado Lift Station Site Improvements**
 Project Category: **Reliability & Service Level Improvements**
 Priority: **3** PM: **TBD** Board Approval:

Project Description:

The EI Dorado lift station is located adjacent to Pleasant Valley Road in the town of EI Dorado. The site has a large vacant area that is currently used to store spare pipe segments and appurtenances for routine or emergency repairs of the collection system. This project will dedicate funding to design and construct material storage bays and improve access to the site. Additionally, the existing wastewater vector dump station will be improved for maneuverability and odor containment.

Basis for Priority:

Improve efficiency and provide safe and adequate storage.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 250,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 250,000
Project Balance	\$ -	Additional Funding Required	\$ 250,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design				\$ 50,000		\$ 50,000
Environmental						\$ -
Construction					\$ 200,000	\$ 200,000
TOTAL	\$ -	\$ -	\$ -	\$ 50,000	\$ 200,000	\$ 250,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Wastewater

Project Number: PLANNED
Project Name: Marina Village No. 1 Force Main Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Carrington **Board Approval:**

Project Description:

The Marina Village No. 1 force main is approximately 2 miles long and located on Green Valley Road, Francisco Drive, adjacent to New York Creek, and terminates at St. Andrews lift station. The force main was originally constructed in 1973 with several repairs and upgrades through the years; however, the force main has had several failures in within the last five years. This project will investigate the extent of necessary replacement to prevent future force main failures and develop design drawings. Once the extent is determined, construction expenditures will be included in the CIP.

Basis for Priority:

This project will replace a failing asset to ensure reliability and continual operation of the wastewater collection system.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 250,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 250,000
Project Balance	\$ -	Additional Funding Required	\$ 250,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning		\$ 50,000				\$ 50,000
Design			\$ 200,000			\$ 200,000
Construction						\$ -
						\$ -
TOTAL	\$ -	\$ 50,000	\$ 200,000	\$ -	\$ -	\$ 250,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Wastewater

Project Number: **PLANNED**
 Project Name: **Marina Village No. 1 Lift Station VFD Upgrades**
 Project Category: **Reliability & Service Level Improvements**
 Priority: **2** PM: **Carrington** Board Approval:

Project Description:

The Marina Village No. 1 lift station was originally constructed in 1973 and includes two 88 horse-power pumps and two 88 horse-power booster pumps. The force main servicing the lift station has had several failures in the the past five years and is believed to be caused by excessive pressure swings with frequent pump starts and stops at the lift station. This project will investigate the benefit of installing variable-frequency drives to reduce the pressure swings and reduce the frequency of pump starts and stops in attempts to preserve the downstream force main.

Basis for Priority:

This project will replace a failing asset to ensure reliability and continual operation of the wastewater collection system.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 375,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 375,000
Project Balance	\$ -	Additional Funding Required	\$ 375,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning	\$ 25,000					\$ 25,000
Design	\$ 100,000					\$ 100,000
Construction		\$ 250,000				\$ 250,000
						\$ -
TOTAL	\$ 125,000	\$ 250,000	\$ -	\$ -	\$ -	\$ 375,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$125,000
			\$0
			\$0
Total	100%		\$125,000

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Wastewater

Project Number: PLANNED
Project Name: Ponderosa Heights Force Main Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** TBD **Board Approval:**

Project Description:

The Ponderosa Heights force main was originally constructed in 1977 to convey wastewater from the Ponderosa Heights lift station in Shingle Springs. During exploratory activities, staff discovered the asbestos cement force main pipe in a degraded condition and is in need of replacement.

Basis for Priority:

This project will replace failing assets to ensure reliability and continual operation of the wastewater collection system.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 1,750,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 1,750,000
Project Balance	\$ -	Additional Funding Required	\$ 1,750,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design			\$ 200,000			\$ 200,000
Environmental			\$ 50,000			\$ 50,000
Construction				\$ 750,000	\$ 750,000	\$ 1,500,000
TOTAL	\$ -	\$ -	\$ 250,000	\$ 750,000	\$ 750,000	\$ 1,750,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

Project Number: PLANNED
Project Name: Promontory Village Inflow & Infiltration Study
Project Category: Reliability & Service Level Improvements
Priority: 3 **PM:** TBD **Board Approval:**

Project Description:

The 2020 update of the El Dorado Hills Collection System Hydraulic Model indicated capacity issues in the Promontory Village subdivision. Flow monitoring indicates higher than normal peak flow rates which is typically due to inflow and infiltration (I&) within the collection system. If location(s) of I&I are determined then improvements will be focused on reducing peak wet weather flow rather than more costly system upgrades.

Basis for Priority:

The collection system model identified these gravity sewer pipelines as having capacity limitations. Performing an I&I study will attempt to locate the source of additional flows during storm events. If the capacity limitations are not corrected, sanitary sewer overflows could occur and future connections to the collection system will be limited.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 125,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 125,000
Project Balance	\$ -	Additional Funding Required	\$ 125,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design				\$ 25,000	\$ 100,000	\$ 125,000
Environmental						\$ -
Construction						\$ -
TOTAL	\$ -	\$ -	\$ -	\$ 25,000	\$ 100,000	\$ 125,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Wastewater

Project Number: PLANNED
Project Name: SCADA Wastewater Hardware Replacement Program
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Leanos **Board Approval:**

Project Description:

This funding is designated to be a rolling CIP to replace end of life cycle wastewater SCADA hardware District wide. This program would focus on replacing and reprogramming of the end of life PLC hardware and associated SCADA reconfigurations. Many sites are beyond the 15 year life expectancy for the PLC hardware.

Basis for Priority:

Rolling CIP to replace end of life cycle SCADA hardware, ensure service reliability and to reduce problem areas of the SCADA system causing overtime.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 500,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 500,000
Project Balance	\$ -	Additional Funding Required	\$ 500,000

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Hardware	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 200,000
Capitalized Labor	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000
Professional Services	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 225,000
						\$ -
TOTAL	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000

Estimated Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$100,000
			\$0
Total	100%		\$100,000

Funding Comments:

Project Number:

PLANNED

Project Name:

Wastewater Arc Flash Risk Assessment Program

Project Category:

Regulatory Requirements

Priority:

1

PM:

Leanos

Board Approval:

Project Description:

This program is intended to comply with regulatory requirements imposed by OSHA in regards to electrical safety of qualified workers. Majority of the electrical equipment in the District is no longer in compliance with the current regulatory requirements and National Fire Protection Association code (NFPA 70E 2021 Standard for Electrical Safety in the Workplace). In order for District to comply and avoid potential fines, Arc Flash Risk Assessment needs to be performed for each District facility that contains electrical hazards. Due to large amount of facilities and electrical equipment, this compliance requirement cannot be completed in a single year and must be separated into manageable portions. This program will assure the District stays in compliance.

Basis for Priority:

Maintain electrical safety regulatory requirements of OSHA and NFPA70E. Determine replacement and improvement strategy to support regulatory compliance, improve service reliability and safety. This study will protect and preserve the health and safety of employees and the public.

Project Financial Summary:			
Funded to Date:	\$ 50,000	Expenditures through end of year:	\$ 28,750
Spent to Date:	\$ 28,750	2025 - 2029 Planned Expenditures:	\$ 375,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 403,750
Project Balance	\$ 21,250	Additional Funding Required	\$ 353,750

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Professional Services	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 300,000
Capitalized Labor	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000
						\$ -
						\$ -
TOTAL	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 375,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$53,750
			\$0
Total	100%		\$53,750

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Wastewater

Project Number: PLANNED
Project Name: Wastewater Asset Replacement Program
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** TBD **Board Approval:**

Project Description:

This is an annual program to replace wastewater assets that have failed or reached end of useful life. This program differs from ongoing maintenance programs in that the equipment, facilities, and labor attributed to these assets constitute a replacement of a capitalized asset. Assets to be replaced or upgraded under this program include, but are not limited to mechanical, electrical and instrumentation systems, treatment plant and lift station equipment, generators, and collection system assets that with replacement will extend the life of the associated system or facility. Items to be replaced each year will be prioritized using ongoing condition assessments and the asset management policies of the District.

Basis for Priority:

Project purpose is to maintain existing assets and prolong their useful service life and reliability.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 1,500,000
Cash flow through end of year:		Total Project Estimate:	\$ 1,500,000
Project Balance	\$ -	Additional Funding Required	\$ 1,500,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design						\$ -
Environmental						\$ -
Construction	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000
TOTAL	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000

Estimated Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$300,000
Total	100%		\$300,000

Funding Comments:

Project Number: PLANNED
Project Name: Wastewater Collection System Hydraulic Modeling
Project Category: Reliability & Service Level Improvements
Priority: 3 **PM:** TBD **Board Approval:**

Project Description:

The District commissioned two hydraulic modeling updates for the collection system; one for the El Dorado Hills system and one for the Deer Creek system. As new developments are presented to the District and as capital projects are completed, it is beneficial to update the model to confirm available capacity or update capacity on a system level.

Basis for Priority:

The collection system model identifies gravity sewer pipelines that have capacity limitations. If the capacity limitations are not corrected, sanitary sewer overflows could occur and future connections to the collection system will be limited.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 150,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 150,000
Project Balance	\$ -	Additional Funding Required	\$ 150,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$ 50,000		\$ 50,000		\$ 50,000	\$ 150,000
Environmental						\$ -
Construction						\$ -
TOTAL	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ 150,000

Funding Sources	Percentage	2025	Amount
Wastewater FCCs	100%		\$50,000
			\$0
Total	100%		\$50,000

Funding Comments:

Project Number: PLANNED
Project Name: Wastewater Lift Station Upgrade Program
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Carrington **Board Approval:**

Project Description:

The District currently maintains sixty wastewater lift stations. Twenty-nine of these lift stations are within the Deer Creek shed, and the remaining thirty-one are in the El Dorado Hills shed.

The age, condition, and capacity of each station varies significantly. In order to prioritize rehabilitation and replacement efforts District staff will continue to assess and prioritize repairs at deficient lift stations.

Basis for Priority:

This project provides replacement of failing components at this critical facility; thereby providing safe, reliable collection system assets.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 3,275,000
Cash flow through end of year:		Total Project Estimate:	\$ 3,275,000
Project Balance	\$ -	Additional Funding Required	\$ 3,275,000

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Design		\$ 150,000	\$ 100,000	\$ 200,000		\$ 450,000
Environmental		\$ 25,000	\$ 25,000	\$ 25,000		\$ 75,000
Construction				\$ 1,500,000	\$ 1,250,000	\$ 2,750,000
TOTAL	\$ -	\$ 175,000	\$ 125,000	\$ 1,725,000	\$ 1,250,000	\$ 3,275,000

Estimated Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$0
Total	100%		\$0

Funding Comments:

Project Number: PLANNED
Project Name: Wastewater Treatment Plant Assessments
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Eden-Bishop **Board Approval:**

Project Description:

The Deer Creek and El Dorado Hills Wastewater Treatment Plants were originally constructed in the 1960's and have undergone several expansions beginning in the early 1990's. This assessment will look at each of the plants individually and provide a roadmap for projects at the plants. Due to the overall age of the facilities, key elements of the existing treatment process need to be examined for rehabilitation or replacement to maintain permit compliance and capacity. The general goal and objectives are to review, evaluate, and assess the condition of the structures and equipment taking into account past and future maintenance activities and regulatory requirements. Additionally, recommendations will include timelines for use in future CIP projects, including budgetary level cost estimates for each recommendation offered. The assessments will be completed in phases similar to the recently completed Water Treatment Plant Assessments

Basis for Priority:

Determine replacement and improvement strategy to support regulatory compliance, improve service reliability, and reduce maintenance costs.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 700,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 700,000
Project Balance	\$ -	Additional Funding Required	\$ 700,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$ 200,000	\$ 250,000	\$ 250,000			\$ 700,000
Environmental						\$ -
Construction						\$ -
TOTAL	\$ 200,000	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ 700,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$200,000
			\$0
Total	100%		\$200,000

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Wastewater

Project Number: **PLANNED**
 Project Name: **WWTP Process Improvement Program**
 Project Category: **Reliability & Service Level Improvements**
 Priority: **2** PM: **TBD** Board Approval:

Project Description:

This program is to perform minor modifications to civil, mechanical, and electrical components within the wastewater treatment plants. Modifications included in this program, but not limited to, variable frequency drives, cathodic protection, and reconfiguration of piping.

Basis for Priority:

This programmatic project will enhance reliability at the wastewater treatment plants.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 875,000
Cash flow through end of year:		Total Project Estimate:	\$ 875,000
Project Balance	\$ -	Additional Funding Required	\$ 875,000

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Design	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 125,000
Environmental						\$ -
Construction	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 750,000
TOTAL	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 875,000

Estimated Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$175,000
			\$0
Total	100%		\$175,000

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Wastewater

Project Number: **PLANNED**
 Project Name: **WWTP Solids Handling Replacement**
 Project Category: **Reliability & Service Level Improvements**
 Priority: **2** PM: **Carrington** Board Approval:

Project Description:

The El Dorado Hills and Deer Creek Wastewater Treatment Plants both utilize a belt press to dewater solids from the treatment process. Both belt presses are past their useful life and are showing signs of deterioration. This project will analyze available solids handling technologies to replace the belt presses. Future construction expenditures will be included in the CIP once cost estimates are available.

Basis for Priority:

This project will replace deteriorating assets at the wastewater treatment plants.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 50,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 50,000
Project Balance	\$ -	Additional Funding Required	\$ 50,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design		\$ 50,000				\$ 50,000
Environmental						\$ -
Construction						\$ -
						\$ -
TOTAL	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000

Funding Sources	Percentage	2025	Amount
Wastewater Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

Recycled Water Projects

Project Number: 24009.01
Project Name: Bridlewood Tank Recoating
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Eden-Bishop **Board Approval:**

Project Description:

The District owns and operates four steel recycled water storage tanks. The District's goal, and the industry standard for welded steel tanks, is to complete a recoating every 15 years to minimize the need for structural repair and maintain the 75 to 100-year life expectancy of these assets. Tanks are critical to the reliable operation of the recycled water system and are sized to provide demand equalization volume. The Bridlewood Tank is 21 years old and was identified through the Recycled Storage Tank Replacement and Rehabilitation Program CIP as the next tank that needs to be recoated/rehabilitated. This program identifies specific tanks and reservoirs for rehabilitation or replacement to maintain service reliability. A recently completed basis of design report recommends roof replacement with an aluminum dome, interior and exterior recoating, and a potable water swivel-ell connection to maintain service during construction. Construction cost for this project is based on an AACE Class 4 estimate (15% level project definition) and includes a 30% contingency appropriate for this level of project definition. The project is in the final design phase construction is planned over the next three years .

Basis for Priority:

Project Financial Summary:			
Funded to Date:	\$ 251,853	Expenditures through end of year:	\$ 250,610
Spent to Date:	\$ 215,610	2025 - 2029 Planned Expenditures:	\$ 6,161,504
Cash flow through end of year:	\$ 35,000	Total Project Estimate:	\$ 6,412,114
Project Balance	\$ 1,243	Additional Funding Required	\$ 6,160,261

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Swivel-ell Construction	\$ 104,000	\$ -	\$ -			\$ 104,000
Construction - roof and recoating	\$ -	\$ 2,641,600	\$ 2,641,600			\$ 5,283,200
Construction support services	\$ 5,200	\$ 158,496	\$ 158,496			\$ 322,192
Construction management and inspection	\$ 5,200	\$ 158,496	\$ 158,496			\$ 322,192
Capitalized labor	\$ 8,000	\$ 60,960	\$ 60,960			\$ 129,920
TOTAL	\$ 122,400	\$ 3,019,552	\$ 3,019,552	\$ -	\$ -	\$ 6,161,504

Funding Sources	Percentage	2025	Amount
Recycled water rates	100%		\$121,157
			\$0
			\$0
Total	100%		\$121,157

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Recycled Water

Project Number:

PLANNED

Project Name:

Recycled Storage Tank Replacement & Rehabilitation Program

Project Category:

Reliability & Service Level Improvements

Priority:

2

PM:

TBD

Board Approval:

Project Description:

This program consists of targeted replacement and rehabilitation of recycled water tanks tanks within the recycled water distribution system. The District operates 4 steel storage tanks, ranging in age from 14 to 21 years of age. This program is to identify specific tanks and reservoirs to rehabilitate, replace, or upgrade to maintain service reliability. This program also includes tank recoating for the welded storage tanks. Program management expenditures identified include prioritizing and designing each tank and reservoir improvement project. Actual replacement and recoating costs for each individual tank and reservoir will be brought to the Board for specific approval. 2026: Design and Structural Analysis for Village C Tank

Fall 2027 - Spring 2028: Construct Village C Tank Rehabilitation Phase I

Fall 2028 - Spring 2029: Construct Village C Tank Rehabilitation Phase I

2029: Design and Structural Analysis for Valley View 940 Tank

Basis for Priority:

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 2,150,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 2,150,000
Project Balance	\$ -	Additional Funding Required	\$ 2,150,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design/Planning		\$ 175,000	\$ 75,000		\$ 150,000	\$ 400,000
Construction/structural			\$ 375,000	\$ 1,000,000	\$ 375,000	\$ 1,750,000
TOTAL	\$ -	\$ 175,000	\$ 450,000	\$ 1,000,000	\$ 525,000	\$ 2,150,000

Funding Sources	Percentage	2025	Amount
Recycled Water Rates	100%		\$0
Total	100%		\$0

Funding Comments:

Project Number: PLANNED
Project Name: Recycled Water Asset Replacement Program
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** TBD **Board Approval:**

Project Description:

This is an annual program to replace or upgrade recycled water assets and facilities that have failed, reached the end of useful life, or require increased operational efficiency or redundancy. The equipment, facilities, and labor attributed to these assets constitute a replacement or installation of a capitalized asset, which distinguishes this program from ongoing maintenance programs. Assets and facilities to be replaced or upgraded under this program include, but are not limited to, mechanical, electrical and instrumentation systems, pump station equipment, generators, and distribution system assets that with replacement or upgrade will extend the life of the associated system or facility. Items that need to be replaced or upgraded each year will be prioritized based on ongoing condition assessments and the District's asset management policies.

Basis for Priority:

Program purpose is to maintain existing assets and prolong their useful service life and reliability.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 375,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 375,000
Project Balance	\$ -	Additional Funding Required	\$ 375,000

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Design	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 100,000
Environmental	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
Construction	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
TOTAL	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 375,000

Funding Sources	Percentage	2025	Amount
Recycled Water Rates	100%		\$75,000
			\$0
Total	100%		\$75,000

Funding Comments:

Project Number: **PLANNED**
Project Name: **Recycled Water Radio Path Design and Replacement**
Project Category: **Reliability & Service Level Improvements**
Priority: **2** **PM:** **Leanos** **Board Approval:**

Project Description:

This CIP follows recommendations outlined in the SCADA master plan. The radio path design would include radio study to determine the most optimal and reliable wireless communication options for the District's remote facilities. The design would include field radio path verification of the modeled radio telemetry design. This design will encompass recycled water facilities.

Basis for Priority:

Many remote facilities rely on antiquated serial radios. Quickly evolving technology requires EID to move to an IP based communication to retain maintainable parts. Performing large migrations without a proper design and proven concepts creates great risk for improper implementation.

Project Financial Summary:					
Funded to Date:	\$	-	Expenditures through end of year:	\$	-
Spent to Date:	\$	-	2025 - 2029 Planned Expenditures:	\$	75,000
Cash flow through end of year:	\$	-	Total Project Estimate:	\$	75,000
Project Balance	\$	-	Additional Funding Required	\$	75,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$ 35,000					\$ 35,000
Construction	\$ 25,000					\$ 25,000
Capitalized Labor	\$ 15,000					\$ 15,000
						\$ -
TOTAL	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000

Funding Sources	Percentage	2025	Amount
Recycled Water Rates	100%		\$75,000
			\$0
Total	100%		\$75,000

Funding Comments:

Hydroelectric Projects

Project Number: 17028
Project Name: Flume 48 Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Carrington **Board Approval:**

Project Description:

Flume 48 was originally constructed of wood in 1876 and supported by an un-mortared, hand-stacked rock bench located north of Highway 50 near Camp 5. In 1948, the wooden flume was completely replaced. District crews have been performing extensive maintenance work of the asset to extend the service life of the critically degraded structure until the full replacement can occur. The District is evaluating two replacement alternatives for this flume. Alternative 1 is to stabilize the hand-stacked rock bench utilizing stabilization measures and the degraded wood flume would be replaced with new concrete precast flume. Alternative 2 would be to construct a 500 foot tunnel between Flume 48 and Highway 50 and abandon approximately 700 feet of canal and 448 feet of elevated wood flume. Option 2, if feasible, could result in significantly lower construction costs but would require acquisition of an easement on an adjacent parcel and a FERC boundary adjustment. The District was able to purchase the parcel that the majority of the tunnel would be placed in 2018. This parcel will also be used as a staging area whether or not the tunnel option is feasible. A geotechnical study was conducted in 2019 and determined that Option 2 is feasible. During the design process the costs of Options 1 and 2 will be determined. The costs below reflect completing alternatives analysis and design to get the project ready for construction, however construction costs have been deferred assuming the Sly Park Intertie is constructed thereby increasing the reliability of the water system should we have an unplanned outage of the flume. Funding will be timed with a future bond issuance that is yet to be determined.

Basis for Priority:

The flumes will continue to deteriorate potentially causing flume failures that may result in significant impacts to the public, Highway 50, and the South Fork of the American River. Additionally, 1/3 of the District's water supply would be out of service for an extended period to make emergency repairs resulting in possible interruption of the reliable delivery of water for consumptive use and hydroelectric power generation.

Project Financial Summary:

Funded to Date:	\$ 554,139	Expenditures through end of year:	\$ 507,055
Spent to Date:	\$ 482,055	2025 - 2029 Planned Expenditures:	\$ 650,000
Cash flow through end of year:	\$ 25,000	Total Project Estimate:	\$ 1,157,055
Project Balance	\$ 47,084	Additional Funding Required	\$ 602,916

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$ 150,000	\$ 150,000	\$ 150,000			\$ 450,000
Environmental	\$ 50,000	\$ 100,000	\$ 50,000			\$ 200,000
Construction						\$ -
Warranty-FERC QCIP						\$ -
TOTAL	\$ 200,000	\$ 250,000	\$ 200,000	\$ -	\$ -	\$ 650,000

Estimated Funding Sources	Percentage	2025	Amount
Water FCCs	53%		\$81,046
Water Rates	47%		\$71,871
			\$0
Total	100%		\$152,916

Funding Comments: The flume replacement capacity will deliver 15,080 acre-feet of existing pre-1914 supplies in addition to 17,000 acre-feet Permit 21112 supplies. Funding sources are estimated based on this ratio of water supplies.

Project Number: 18010
Project Name: Penstock Improvements
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Kessler **Board Approval:**

Project Description:

Water is provided from Forebay Reservoir to the El Dorado Powerhouse through a 60-inch diameter penstock for power generation. FERC regulations and our standard operating procedures require the penstock to be inspected and assessed at regular intervals. This project was initiated in 2015 to perform a comprehensive assessment of the penstock and determine if any upgrades or replacements need to be made for continued reliability. The condition assessment continued into 2017 and identified the following needed improvements:

- 1) Improving access in the steepest section of penstock to support conducting O&M and capital improvements safely
- 2) Restoring grounds across compression couplings in the low-pressure section of penstock;
- 3) Relining the interior of the surge tank and the buried section between the penstock tunnel and surge tank at welded joints where the original lining was applied in the field;
- 4) Investigating restoring the tramway to service along the high-pressure penstock;
- 5) Improving the anchoring of the surge tank to meet seismic loading;

Work planned for 2025 includes construction of improved access on the steepest section of the penstock. In addition, 2025 work will include preparing plans and specifications, and conducting environmental review/permitting for subsequent phases. Relining of the surge tank and portions of the penstock are planned for 2026. The cost of improvements beyond 2025 will be updated upon completion of design for later phases. Penstock stabilization is being planned and performed separately under CIP 21016.

Basis for Priority:

The project is to maintain penstock service reliability. The ability for the District to receive an average \$4 million annually in power generation revenues depends on the availability of the penstock. The penstock is one of the highest pressure and oldest in the United States.

Project Financial Summary:			
Funded to Date:	\$ 360,000	Expenditures through end of year:	\$ 129,815
Spent to Date:	\$ 124,815	2025 - 2029 Planned Expenditures:	\$ 985,000
Cash flow through end of year:	\$ 5,000	Total Project Estimate:	\$ 1,114,815
Project Balance	\$ 230,185	Additional Funding Required	\$ 754,815

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning	\$ 30,000	\$ 20,000	\$ 10,000	\$ 10,000		\$ 70,000
Design	\$ 50,000	\$ 50,000	\$ 60,000	\$ 20,000		\$ 180,000
Construction/CM		\$ 100,000	\$ 480,000	\$ 105,000	\$ 50,000	\$ 735,000
						\$ -
TOTAL	\$ 80,000	\$ 170,000	\$ 550,000	\$ 135,000	\$ 50,000	\$ 985,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
Total	100%		\$0

Funding Comments:

Project Number: 19021
Project Name: Canal RTU Replacement Control Sites
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** M. Heape **Board Approval:**

Project Description:

This project is to replace end of life cycle SCADA Hardware, specifically the Moscad L RTUs and level/flow measurement equipment. Replacement of alarm and spillway control sites located along the Project 184 canal. The current system has served the District well, unfortunately it is no longer supported by a modern computer. Costs will be revised when design is completed.

Basis for Priority:

This equipment is at the end of its life cycle and warrants replacement to retain the reliability and operational capabilities of the system. Additionally, new replacement parts are not available due to obsolescence. This system cannot be supported on a modern computer.

Project Financial Summary:			
Funded to Date:	\$ 224,456	Expenditures through end of year:	\$ 144,618
Spent to Date:	\$ 144,618	2025 - 2029 Planned Expenditures:	\$ 1,625,000
Cash flow through end of year:		Total Project Estimate:	\$ 1,769,618
Project Balance	\$ 79,838	Additional Funding Required	\$ 1,545,162

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design/Planning						\$ -
Construction	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000
Capitalized Labor	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 125,000
TOTAL	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 1,625,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$245,162
			\$0
Total	100%		\$245,162

Funding Comments:

Project Number: 19031
Project Name: Silver Lake Dam Replacement
Project Category: Regulatory Requirements
Priority: 1 **PM:** Kessler **Board Approval:**

Project Description:

The long-term reliability of the dam came into question in the spring of 2015 when a sink hole was discovered. In response, DSOD restricted the reservoir level, and the District conducted emergency repairs and a geotechnical investigation. The likely cause of the sink hole was the creation of voids in the dam as a result of rotting interior logs that have been encapsulated as fill and were part of the original rock and soil filled timber crib structure constructed in 1876. Other evidence of voids occurring within the fill of the dam is uneven crest settlement and shifting locations of leakage discharge. In addition, the upstream gunite face of Silver Lake Dam is at the end of its useful life and no longer reliable. Repairs have been employed since the late 1990's to stem leakage and extend the life of the 50-year old gunite. However, the gunite continues to thin, crack and crumble making repairs increasingly less durable and sustainable. Unforeseeable periods of leakage have also caused delayed filling or early drawdown of the reservoir resulting in loss of water supply and power generation. The leakage through the dam has to be controlled to acceptable rates in order to prevent creation of more voids in the dam as caused by soil particle migration (piping).

The District has evaluated rehabilitation/replacement alternatives to remediate the three major defects (upstream face, interior fill, spillway capacity). The alternatives analysis was submitted to FERC and DSOD in fall 2016, and District staff met with their representatives in January 2017. FERC and DSOD agreed with the District's preliminary findings that the most effective, reliable and least cost alternative is to replace the dam. The project will need to undergo a progression of design and environmental activities over the next several years. In 2022, the Design Criteria was prepared and subsurface exploration conducted by performing drilling and seismic refraction surveys to inform the next phases of design. 30% design was completed in 2023, and 60% design anticipated in 2024. The project will require environmental assessment under CEQA, NEPA and a FERC License Amendment, as well as various federal, state and local permits. As these steps and the design evolve to better define the project, the District will have a basis for estimating construction costs (preliminary estimate included at this time). Construction is scheduled for 2027/2028.

Basis for Priority:

Regulatory Mandate - Compliance with FERC and DSOD dam safety program requirements.

Project Financial Summary:

Funded to Date:	\$ 4,189,231	Expenditures through end of year:	\$ 1,750,708
Spent to Date:	\$ 1,585,708	2025 - 2029 Planned Expenditures:	\$ 50,000,000
Cash flow through end of year:	\$ 165,000	Total Project Estimate:	\$ 51,750,708
Project Balance	\$ 2,438,523	Additional Funding Required	\$ 47,561,477

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Environmental	\$500,000	\$400,000	\$ 200,000	\$ 100,000		\$ 1,200,000
Design/CM	\$800,000	\$ 400,000	\$ 3,000,000	\$ 1,000,000	\$ 100,000	\$ 5,300,000
Construction			\$ 32,000,000	\$ 11,500,000		\$ 43,500,000
TOTAL	\$ 1,300,000	\$ 800,000	\$ 35,200,000	\$ 12,600,000	\$ 100,000	\$ 50,000,000

Estimated Funding Sources	Percentage	2025	Amount
2027 Bond	100%		\$0
			\$0
Total	100%		\$0

Funding Comments: Funding is expected to come from a future bond issuance with possible grant funding support.

2025

CAPITAL IMPROVEMENT PLAN

Program:

Hydroelectric

Project Number:

21003

Project Name:

Diversion Repeater Site

Project Category:

Reliability & Service Level Improvements

Priority:

2

PM:

Leanos

Board Approval:

Project Description:

The project is to design and implement more reliable communication path for the diversion facility and for the Project 184 upper country radio system. The repeater site would serve as a primary communication pathway and would be independent of unreliable service from PG&E and AT&T.

Basis for Priority:

The project will improve reliability of a critical water facility.

Project Financial Summary:			
Funded to Date:	\$ 50,000	Expenditures through end of year:	\$ 3,194
Spent to Date:	\$ 3,194	2025 - 2029 Planned Expenditures:	\$ 175,000
Cash flow through end of year:		Total Project Estimate:	\$ 178,194
Project Balance	\$ 46,806	Additional Funding Required	\$ 128,194

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$ 25,000					\$ 25,000
Construction	\$ 100,000					\$ 100,000
Capitalized Labor	\$ 50,000					\$ 50,000
						\$ -
TOTAL	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ 175,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$128,194
			\$0
			\$0
Total	100%		\$128,194

Funding Comments:

Project Number: 21004
Project Name: Powerhouse Fiber Communication Improvements
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Kessler **Board Approval:**

Project Description:

This project is to replace and expand utilization of the fiber optic cable (FOC) from El Dorado Forebay to the powerhouse for various indication and control functions. The existing FOC provides indication of El Dorado Forebay reservoir elevation, upper and lower penstock shutoff valve position (Upper and Lower Butterfly Valves), ability to remotely close the shutoff valves, and general status of the valve house buildings and equipment. The existing FOC has lost some of its original capacity and no longer has spare fibers needed for redundancy and expanded use. Expanded use would include replacing the AT&T copper cable which the District relies on for SCADA and power generation reporting to CAISO. The lack of reliability in the copper cable has led to loss of SCADA at the powerhouse requiring an operator to be present until the copper cable is repaired, and periods of non-compliance under CAISO's regulations which has resulted in penalties to the District. A new prefabricated communication building would be installed at the Forebay allowing connection of the District's FOC to AT&T's FOC. PG&E and SMUD have expressed interest in partnering in the project and have conceptually agreed to a 1/3 share each of project cost. The District would own the FOC and would utilize our Pole Attachment Agreement with PG&E to underbuild the new FOC on PG&E's 21 kV power line as does the existing FOC. The new FOC will significantly improve the reliability of SCADA indications and controls of El Dorado Forebay, penstock, and powerhouse and generation reporting to CAISO.

Basis for Priority:

This equipment needs to be expanded for use to include power generation reporting to CAISO and avoid penalties associated with AT&T's service interruptions. Reliability for existing FOC functions will be maintained with capability of having spare strands, and the improvements can be accomplished at approximately 1/3 of the total cost considering the cost share with PG&E and SMUD.

Project Financial Summary:			
Funded to Date:	\$ 50,000	Expenditures through end of year:	\$ 18,198
Spent to Date:	\$ 8,198	2025 - 2029 Planned Expenditures:	\$ 620,000
Cash flow through end of year:	\$ 10,000	Total Project Estimate:	\$ 638,198
Project Balance	\$ 31,802	Additional Funding Required	\$ 588,198

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Professional Services	\$ 80,000					\$ 80,000
Construction	\$ 500,000					\$ 500,000
Capitalized Labor	\$ 40,000					\$ 40,000
						\$ -
TOTAL	\$ 620,000	\$ -	\$ -	\$ -	\$ -	\$ 620,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$588,198
			\$0
			\$0
Total	100%		\$588,198

Funding Comments: PG&E and SMUD would each contribute 1/3 shares to reimburse the District for design, construction and operating costs. Costs are total before reimbursement

Project Number: 21009
Project Name: Diversion - Fish Ladder Improvements
Project Category: Reliability & Service Level Improvements
Priority: 3 **PM:** TBD **Board Approval:**

Project Description:

The project is to design and add a new flow meter to precisely and more instantaneously measure instream flow releases reducing the over-release caused by the existing controls, and increasing the water that can be diverted into the El Dorado Canal and improve the fish ladder as required by CA Dept. of Fish & Wildlife. Schedule and costs will be updated as the project progresses.

Basis for Priority:

The project will improve efficiency and improve operational capabilities of a critical water facility.

Project Financial Summary:			
Funded to Date:	\$ 50,000	Expenditures through end of year:	\$ 21,399
Spent to Date:	\$ 21,399	2025 - 2029 Planned Expenditures:	\$ 100,000
Cash flow through end of year:		Total Project Estimate:	\$ 121,399
Project Balance	\$ 28,601	Additional Funding Required	\$ 71,399

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study				\$ 50,000		\$ 50,000
Design/Permitting					\$ 50,000	\$ 50,000
Construction						\$ -
						\$ -
TOTAL	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 100,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

Project Number: 21013
Project Name: Flumes 45A, 46A, and 47B Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Carrington **Board Approval:**

Project Description:

These three flumes are similar in nature in that they are between 128 to 200 foot long elevated flumes located on previous landslide locations. A brief description of the flumes are as follows:

- Flume 45A is 155 feet long and is constructed of wood supports with fiberglass flume section and was last replaced in 2001.
- Flume 46A is 128 feet long and is a wood flume with timber supports and was last replaced in 2011.
- Flume 47B is 128 feet long and is a wood flume with timber supports and was last replaced in 1990.

Priority and costs were developed with the Canal and Flume Assessment Studies. Design of these sections are essentially complete and the construction schedule for each is flexible in future years. Construction has been deferred beyond five years.

Basis for Priority:

The flumes will continue to deteriorate potentially causing flume failures that would result in significant impacts to the public, Highway 50, and the South Fork of the American River. Additionally, 1/3 of the Districts water supply would be out of service for an extended period to make emergency repairs resulting in interruption of the reliable delivery of water for consumptive use and hydroelectric power generation.

Project Financial Summary:			
Funded to Date:	\$ 553,268	Expenditures through end of year:	\$ 489,662
Spent to Date:	\$ 409,662	2025 - 2029 Planned Expenditures:	\$ 60,000
Cash flow through end of year:	\$ 80,000	Total Project Estimate:	\$ 549,662
Project Balance	\$ 63,606	Additional Funding Required	\$ -

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design			\$ 60,000			\$ 60,000
Construction 45A						
Construction 46A						\$ -
Construction 47B						\$ -
TOTAL	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ 60,000

Funding Sources	Percentage	2025	Amount
Water FCCs	53%		\$0
Water Rates	47%		\$0
			\$0
Total	100%		\$0

The flume replacement capacity will deliver 15,080 acre-feet of existing pre-1914 supplies in addition to 17,000 acre-feet Permit 21112 supplies. Funding sources are estimated based on this

Funding Comments: ratio of water supplies.

Project Number: 21016
Project Name: Penstock Stabilization
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Kessler **Board Approval:**

Project Description:

Water is provided from Forebay Reservoir to the El Dorado Powerhouse through a 60-inch diameter penstock for power generation. The penstock tapers and bifurcates as it approaches the powerhouse. FERC regulations and our standard operating procedures require the penstock condition and suitability for reliable service to be assessed through inspection and comprehensive evaluations at regular intervals. This project was initiated in 2015 to perform a comprehensive assessment of the penstock and determine if any upgrades or replacements need to be made for continued reliability. The condition assessment continued into 2017 and identified the following needed improvements under this Penstock Stabilization CIP:

- 1) Stabilizing the bench and slopes above and below the penstock downstream of the penstock tunnel section where rockfall and landslide potential exists - planned for 2026;
- 2) Performing drainage improvements to the high-pressure penstock section where a channel continues to erode including around saddles and anchor blocks - planned for 2026

The geotechnical assessment and design are in-progress, and will continue into early 2025. Concurrently, the District will conduct environmental review/permitting such that stabilization and drainage improvements can be constructed in 2026. Other penstock improvements are being planned and performed under CIP 18010.

Basis for Priority:

The project is to maintain penstock stabilization and service reliability. The ability for the District to receive an average \$4 million annually in power generation revenues depends on the reliability of the penstock. The high-head section of penstock operates up to 830 psi, and is the original hammer-forge welded steel pipe installed in 1924.

Project Financial Summary:			
Funded to Date:	\$ 400,611	Expenditures through end of year:	\$ 208,126
Spent to Date:	\$ 178,126	2025 - 2029 Planned Expenditures:	\$ 730,000
Cash flow through end of year:	\$ 30,000	Total Project Estimate:	\$ 938,126
Project Balance	\$ 192,485	Additional Funding Required	\$ 537,515

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning		\$ 30,000	\$ 20,000			\$ 50,000
Design		\$ 50,000	\$ 50,000			\$ 100,000
Construction			\$ 550,000			\$ 550,000
Capitalized Labor		\$ 10,000	\$ 20,000			\$ 30,000
TOTAL	\$ -	\$ 90,000	\$ 640,000	\$ -	\$ -	\$ 730,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

Project Number: 21028
Project Name: Powerhouse Automation Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Leanos **Board Approval:**

Project Description:

The project is to design, replace and reprogram end of life hydro-turbine governors, PLC hardware, and related SCADA reconfigurations.

Basis for Priority:

The project will enhance reliability of a critical power generation facility. This hardware is failing, and posing a service reliability and maintenance issue. The life of this equipment is cycling out. The original installation took place over 25 years ago. Parts for these units are no longer manufactured, and they are difficult to service.

Project Financial Summary:			
Funded to Date:	\$ 269,460	Expenditures through end of year:	\$ 158,095
Spent to Date:	\$ 158,095	2025 - 2029 Planned Expenditures:	\$ 825,000
Cash flow through end of year:		Total Project Estimate:	\$ 983,095
Project Balance	\$ 111,365	Additional Funding Required	\$ 713,635

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design						\$ -
Construction		\$ 750,000				\$ 750,000
Capitalized Labor	\$ 75,000					\$ 75,000
TOTAL	\$ 75,000	\$ 750,000	\$ -	\$ -	\$ -	\$ 825,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

Project Number: 22014
Project Name: Flume 45 Section 3 Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Shan **Board Approval:**

Project Description:

This section of Flume 45 is an elevated wood flume approximately 940 feet in length and last replaced in 2001. This portion of the flume was constructed to span a section of the historic rock bench that had previously failed and replaced by PG&E. Part of the pre-bid work, primarily the District's staff time and environmental documentation, is funded by a newly awarded FEMA Building Resilient Infrastructure and Communities (BRIC) grant. Pending FEMA's further review of bid documents and construction plan, construction of this project is likely to be funded, at 75%, by the same BRIC grant.

Basis for Priority:

The flume will continue to deteriorate potentially causing flume failures that would result in significant impacts to the public, Highway 50, and the South Fork of the American River. Additionally, water supply would be out of service for an extended period to make emergency repairs resulting in interruption of the reliable delivery of water for consumptive use and hydroelectric power generation.

Project Financial Summary:			
Funded to Date:	\$ 776,523	Expenditures through end of year:	\$ 683,407
Spent to Date:	\$ 433,407	2025 - 2029 Planned Expenditures:	\$ 2,583,500
Cash flow through end of year:	\$ 250,000	Total Project Estimate:	\$ 3,266,907
Project Balance	\$ 93,116	Additional Funding Required	\$ 2,490,384

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$ 200,000					\$ 200,000
Environmental	\$ 80,000					\$ 80,000
Capitalized Labor (PM + CM)	\$ 89,000	\$ 180,000	\$ 180,000			\$ 449,000
Construction		\$ 4,400,000	\$ 4,010,000			\$ 8,410,000
Grant	\$ (248,000)	\$ (3,300,000)	\$ (3,007,500)			\$ (6,555,500)
TOTAL	\$ 121,000	\$ 1,280,000	\$ 1,182,500	\$ -	\$ -	\$ 2,583,500

Funding Sources	Percentage	2025	Amount
Water FCCs	53%		\$14,778
Water Rates	47%		\$13,105
			\$0
Total	100%		\$27,884

Funding Comments: The flume replacement capacity will deliver 15,080 acre-feet of existing pre-1914 supplies in addition to 17,000 acre-feet Permit 21112 supplies. Funding sources are estimated based on this ratio of water supplies.

2025

CAPITAL IMPROVEMENT PLAN

Program:

Hydroelectric

Project Number:

22030

Project Name:

Flume 47A Replacement

Project Category:

Reliability & Service Level Improvements

Priority:

1

PM:

Shan

Board Approval:

Project Description:

Flume 47A is a wood flume with timber supports approximately 201 feet in length and last replaced in 1990. The Board has approved a construction contract, construction is underway and will occur during the 2024 scheduled canal outage.

Basis for Priority:

Project construction is approved and underway

Project Financial Summary:

Funded to Date:	\$ 3,979,085	Expenditures through end of year:	\$ 3,071,010
Spent to Date:	\$ 71,010	2025 - 2029 Planned Expenditures:	\$ 872,914
Cash flow through end of year:	\$ 3,000,000	Total Project Estimate:	\$ 3,943,924
Project Balance	\$ 908,075	Additional Funding Required	\$ -

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Inspections	\$ 150,000					\$ 150,000
Capitalized Labor	\$ 204,914					\$ 204,914
Construction	\$ 468,000					\$ 468,000
Env Doc/Permits	\$ 50,000					\$ 50,000
TOTAL	\$ 872,914	\$ -	\$ -	\$ -	\$ -	\$ 872,914

Funding Sources	Percentage	2025	Amount
Water FCCs	53%		\$0
Water Rates	47%		\$0
			\$0
Total	100%		\$0

Funding Comments: 2025 expenditures are shown to achieve final completion of the project.

2025

CAPITAL IMPROVEMENT PLAN

Program:

Hydroelectric

Project Number:

23016

Project Name:

Camp 2 Structure

Project Category:

Reliability & Service Level Improvements

Priority:

2

PM:

TBD

Board Approval:

Project Description:

The District maintained a residence at Camp 2, near the Plum Creek siphon, along Project 184. This residence burned in 2021 during the Caldor Fire. The Camp 2 location is critical for accessing Plum Creek Siphon House as well as an access point for the Project 184 conveyance system. Staff desires to rebuild a structure for storage adjoined with a warming shed, water, and wastewater service in lieu of a full residence. This project will include design, necessary permits, and construction of the Camp 2 Structure. District staff anticipates insurance reimbursement.

Basis for Priority:

This project will replace a damaged asset beneficial to the operation and maintenance of Project 184.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 75,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 75,000
Project Balance	\$ -	Additional Funding Required	\$ 75,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design				\$ 75,000		\$ 75,000
Environmental						\$ -
Construction						\$ -
						\$ -
TOTAL	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

Project Number: 24004
Project Name: Diversion - A11 Flow Control
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Shan **Board Approval:**

Project Description:

The project is to implement a more reliable and accurate flow control method. The site currently has two oversized gates that struggle and regularly fail to control the facility during low flow periods. After hours time is required of staff to regularly troubleshoot and keep in service gates 1 & 2 of the canal flow.

A study was done by Water Works Engineering to determine the correct gate sizes and the limitations of the current gates. Their study confirmed that the actuators are being used in an incorrect application and that the gates are too big to shave off the revenue generating flow that the District requires during low flow periods. Construction costs estimated at \$2.1 million have been deferred.

Basis for Priority:

The project will improve reliability and improve operational capabilities of a critical water facility.

Project Financial Summary:			
Funded to Date:	\$ 25,000	Expenditures through end of year:	\$ 60,142
Spent to Date:	\$ 19,142	2025 - 2029 Planned Expenditures:	\$ 84,000
Cash flow through end of year:	\$ 41,000	Total Project Estimate:	\$ 144,142
Project Balance	\$ (35,142)	Additional Funding Required	\$ 119,142

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning						\$ -
Design	\$ 84,000					\$ 84,000
Construction						\$ -
Capitalized Labor (PM + CM)						\$ -
TOTAL	\$ 84,000	\$ -	\$ -	\$ -	\$ -	\$ 84,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$119,142
			\$0
			\$0
Total	100%		\$119,142

Funding Comments:

Project Number: 24017 (fka STUDY 26)
Project Name: Powerhouse Turbine Runner Upgrade
Project Category: Reliability & Service Level Improvements

Priority: 2 **PM:** Kessler **Board Approval:**

Project Description:

The Unit 1 and Unit 2 Pelton turbine runners (impulse turbines or water wheels) were installed in 1958 with a life expectancy of 30 - 40 years depending on operating and water conditions. It requires approximately 18 months to procure a new turbine runner if one were to fail. A spare turbine runner can be used for either of the two turbine-generator units as the units are identical. The estimated revenue loss of waiting for a new runner to be manufactured is \$3 million based on loss of availability of one 10 MW unit for 18 months. The existing turbine runners are constructed of carbon steel and are not as resilient to wear and cracking as modern runners constructed of stainless steel. The District expended approximately \$150,000 in welding and restoration of the two turbine runners in 2016. The primary risk of continuing to extend the service life of the aging turbine runners is that they can incur a sudden failure from stresses induced by previous weld repairs, and associated with the accumulation of start-ups and shutdowns of the turbine-generator units. While staff carefully inspects and monitors the condition of the runners for early warning signs, and makes repairs to areas subject to cracking and wear, the risk of sudden failure increases with time. In 2023, the District contracted for a detailed inspection of the turbines with results supporting the need for replacement. Additional study and inspection is being performed during the 2024 fall outage to address upgrades to the needle/servo assembly where two previous failures have occurred and to the unit alignment where differences in hydraulic and magnetic center are causing excessive wear to the bearings. The 2024 study will also explore options for replacing the turbine runner with a modern, more efficient design performing a life-cycle benefit-cost analysis to support planning future capital improvements. The 2025 budget is to address design modifications to the needle/servo assembly with proposed funds in 2026 to perform the improvement.

Basis for Priority:

Both generating units have turbine runners that have operated significantly past their predicted service life, and are subject to failure. The revenue loss in waiting for a new runner to be manufactured is approximately \$3 million. Staff believes it is prudent to study options for replacing both runners together in consideration of: 1) Lost revenue associated with a risk of failure that increases over time; 2) Manufacturing cost savings of two runners together; and 3) Potential reliability/efficiency improvements. Preliminary indication from turbine suppliers is that efficiency improvements of new runners could yield additional annual generation revenue on the order of \$100,000 - \$200,000/year. Addressing reliability of the needle/servo assembly is critical to avoid dangerous penstock pressure rise caused when flow is shutoff too rapidly.

Project Financial Summary:			
Funded to Date:	\$ 100,000	Expenditures through end of year:	\$ 60,523
Spent to Date:	\$ 35,523	2025 - 2029 Planned Expenditures:	\$ 200,000
Cash flow through end of year:	\$ 25,000	Total Project Estimate:	\$ 260,523
Project Balance	\$ 39,477	Additional Funding Required	\$ 160,523

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning						\$ -
Design			\$ 50,000			\$ 50,000
Construction				\$ 150,000		\$ 150,000
						\$ -
TOTAL	\$ -	\$ -	\$ 50,000	\$ 150,000	\$ -	\$ 200,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Hydroelectric

Project Number: 24033
 Project Name: Lakes Remote Telemetry Units Replacement
 Project Category: Reliability & Service Level Improvements
 Priority: 2 PM: Leanos Board Approval:

Project Description:

This project is to replace end of life cycle SCADA Hardware, specifically the Moscad L RTUs and level/flow measurement equipment. Replacement is for monitoring sites at Silver Lake and associated radio communication equipment. This system is no longer supported.

Basis for Priority:

This equipment is at the end of its life cycle and warrants replacement to retain the reliability of the system. Additionally, new replacement parts are not available due to obsolescence. This system cannot be supported on a modern computer.

Project Financial Summary:			
Funded to Date:	\$ 47,000	Expenditures through end of year:	\$ 1,469
Spent to Date:	\$ 1,469	2025 - 2029 Planned Expenditures:	\$ 50,000
Cash flow through end of year:		Total Project Estimate:	\$ 51,469
Project Balance	\$ 45,531	Additional Funding Required	\$ 4,469

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design	\$ 50,000					\$ 50,000
Construction						\$ -
Capitalized Labor						\$ -
						\$ -
TOTAL	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$4,469
			\$0
			\$0
Total	100%		\$4,469

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Hydroelectric

Project Number: PLANNED
Project Name: Annual Canal and Flume Improvements Program
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** M. Heape **Board Approval:**

Project Description:

Canals and flumes are assessed annually by District staff to assess and prioritize necessary improvements that will be implemented during the annual Canal outage. These improvements are needed to extend the service life of the asset and maintain system reliability. Improvements to the degraded canal and flume sections include materials, concrete, shotcrete, helicopter support if needed, equipment, and District crew labor. Canal rehabilitation, flume, and spillway improvements are necessary in order to maintain reliability of the water supply. Annual system improvements will be determined by District Hydro Operations each spring for implementation to be achieved during the scheduled Canal outage. Expenditures for 2025 - 2029 will include \$425,000 for canal & flume replacement such as re-lining and concrete work.

Basis for Priority:

These projects replace aging assets and improve the reliability of the canal and flume system.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ 93,340
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 2,125,000
Cash flow through end of year:	\$ 93,340	Total Project Estimate:	\$ 2,218,340
Project Balance	\$ 363,994	Additional Funding Required	\$ 1,761,006

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning						\$ -
Design						\$ -
Construction	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 2,125,000
						\$ -
TOTAL	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 2,125,000

Estimated Funding Sources	Percentage	2025	Amount
Water FCCs	53%		\$32,333
Water Rates	47%		\$28,673
			\$0
Total	100%		\$61,006

Funding Comments: Canal/flume replacement capacity will deliver 15,080 acre-feet of existing pre-1914 supplies in addition to 17,000 acre-feet Permit 21112 supplies. Funding sources are estimated based on this ratio of water supplies.

Project Number: PLANNED
Project Name: Annual Reservoir and Dam Improvements Program
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** M. Heape **Board Approval:**

Project Description:

The District's dams and reservoirs require annual upgrades to extend their life and comply with safety standards. Many of these improvements are follow-up items/requirements resulting from inspections performed by staff, FERC and DSOD dam safety personnel and are required under their regulatory jurisdictions. Work planned for 2025 includes the following:

- Echo Lake - Install rock armoring at the base of the upstream gunite face to eliminate undercutting by wave action (\$40K)
 - Weber Dam - Rehabilitate upstream dam face (\$30K)
 - Lake Aloha Dam - Develop plans for adding remote control to outlet gate which likely will require gate replacement (\$40K)
 - Concrete work to Stream Gage Weirs A-6 in Caples Creek and A-9 in Silver Fork American River (\$50K)
- 2026 - 2029 funding will be used to conduct minor upgrades on the dams as warranted.

Basis for Priority:

Meet dam safety standards by maintaining existing assets and prolonging their useful service life and reliability.

Project Financial Summary:			
Funded to Date:	\$	-	Expenditures through end of year: \$ -
Spent to Date:	\$	-	2025 - 2029 Planned Expenditures: \$ 360,000
Cash flow through end of year:	\$	-	Total Project Estimate: \$ 360,000
Project Balance	\$	-	Additional Funding Required \$ 360,000

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Study/Planning						\$ -
Design	\$ 40,000					\$ 40,000
Construction	\$ 120,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 320,000
						\$ -
TOTAL	\$ 160,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 360,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$160,000
			\$0
			\$0
Total	100%		\$160,000

Funding Comments: Project 184 dams and reservoirs help deliver 15,080 acre-feet of existing pre-1914 supplies in addition to 17,000 acre-feet Permit 21112 supplies. Funding sources are estimated based on this ratio of water supplies.

2025

CAPITAL IMPROVEMENT PLAN

Program:

Hydroelectric

Project Number: PLANNED
Project Name: Camp 5 Generator Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** TBD **Board Approval:**

Project Description:

The project is to design and implement more reliable power distribution from utility and backup generator. The site currently has multiple voltage feeds, large voltage swings, and suffers from load imbalances. The load imbalance and voltage swings are accelerating equipment degradation and increasing maintenance cost. The current generator is no longer sized adequately for the current load at the facility. This project would require installation of a larger generator.

Basis for Priority:

The project will improve power reliability to the facility.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 300,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 300,000
Project Balance	\$ -	Additional Funding Required	\$ 300,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design		\$ 50,000				\$ 50,000
Construction			\$ 250,000			\$ 250,000
						\$ -
TOTAL	\$ -	\$ 50,000	\$ 250,000	\$ -	\$ -	\$ 300,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Hydroelectric

Project Number: **PLANNED**
 Project Name: **Ditch SCADA Hardware Replacement**
 Project Category: **Reliability & Service Level Improvements**
 Priority: **2** PM: **Leanos** Board Approval:

Project Description:

This project is to replace end of life cycle SCADA Hardware, specifically the Moscad L RTUs and level/flow measurement equipment. Replacement sites are: Crawford Ditch, North Fork Ditch, Camp Creek Ditch, and associated repeater radio system at Reservoir B. This system is no longer supported. This CIP will replace the existing system over multiple years.

Basis for Priority:

This equipment is at the end of its life cycle and warrants replacement to retain the reliability of the system. Additionally, new replacement parts are not available due to obsolescence. This system is not longer supported on a modern computer.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 200,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 200,000
Project Balance	\$ -	Additional Funding Required	\$ 200,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Design		\$ 50,000				\$ 50,000
Construction			\$ 150,000			\$ 150,000
TOTAL	\$ -	\$ 50,000	\$ 150,000	\$ -	\$ -	\$ 200,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%	\$	-
Total	100%		\$0

Funding Comments:

Project Number: PLANNED
Project Name: Flume 4 Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** TBD **Board Approval:**

Project Description:

Flume 4 is approximately 200 feet in length and is an elevated flume that spans a steep portion of the forest. This elevated section could not be quickly replaced after the Caldor Fire and thus underwent repairs. The wood substructure was constructed in 1993 and the wood members are currently undersized. In addition to the elevated section, there is just upstream of Flume 4 a section of canal that has a rock cribbed wall that has experienced a failure in 2022. This cribbed wall would be replaced with an MSE wall and have the drainage system upgraded. No construction costs are indicated.

Basis for Priority:

Fume 4 will continue to deteriorate potentially cause a flume failures that would result in significant impacts to the public and the South Fork of the American River. Additionally, 1/3 of the Districts water supply would be out of service for an extended period to make emergency repairs resulting in interruption of the reliable delivery of water for consumptive use and hydroelectric power generation.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 500,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 500,000
Project Balance	\$ -	Additional Funding Required	\$ 500,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning		\$ 50,000				\$ 50,000
Design			\$ 250,000	\$ 200,000		\$ 450,000
Construction						\$ -
						\$ -
TOTAL	\$ -	\$ 50,000	\$ 250,000	\$ 200,000	\$ -	\$ 500,000

Funding Sources	Percentage	2025	Amount
Water FCC's	53%		\$0
Water Rates	47%		\$0
			\$0
Total	100%		\$0

The flume replacement capacity will deliver 15,080 acre-feet of existing pre-1914 supplies in addition to 17,000 acre-feet Permit 21112 supplies. Funding sources are estimated based on this
Funding Comments: ratio of water supplies.

Project Number: **PLANNED**
Project Name: **Hydro Arc Flash Risk Assessment Program**
Project Category: **Regulatory Requirements**
Priority: **1** **PM:** **Leanos** **Board Approval:**

Project Description:

This program is intended to comply with regulatory requirements imposed by OSHA in regards to electrical safety of qualified workers. Majority of the electrical equipment in the District is no longer in compliance with the current regulatory requirements and National Fire Protection Association code (NFPA 70E 2021 Standard for Electrical Safety in the Workplace). In order for the District to comply and avoid potential fines, Arc Flash Risk Assessment needs to be performed for each District facility that contains electrical hazards. Due to large amount of facilities and electrical equipment, this compliance requirement cannot be completed in a single year and must be separated into manageable portions. This program will assure District stays in compliance.

Basis for Priority:

Maintain electrical safety regulatory requirements of OSHA and NFPA70E. Determine replacement and improvement strategy to support regulatory compliance, improve service reliability and safety. This study will protect and preserve the health and safety of employees and the public.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 215,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 215,000
Project Balance	\$ -	Additional Funding Required	\$ 215,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Professional Services	\$ 50,000	\$ 35,000		\$ 35,000	\$ 35,000	\$ 155,000
Capitalized Labor	\$ 15,000	\$ 15,000		\$ 15,000	\$ 15,000	\$ 60,000
						\$ -
						\$ -
TOTAL	\$ 65,000	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ 215,000

Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$65,000
			\$0
Total	100%		\$65,000

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN Program:

Hydroelectric

Project Number: **PLANNED**
 Project Name: **Hydro Assessments**
 Project Category: **Reliability & Service Level Improvements**
 Priority: **3** PM: **TBD** Board Approval:

Project Description:

The purpose of this project is to perform a holistic condition assessment of Project 184 canal system assets. This effort will investigate canals, flumes, tunnels, siphons, and canal release points and determine a roadmap for future work. Included in the roadmap will be a list of projects, priority criteria, budgetary cost estimates, and a project schedule.

Basis for Priority:

This project will determine replacement and improvement strategy to support regulatory compliance, improve service reliability, and reduce maintenance costs.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 400,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 400,000
Project Balance	\$ -	Additional Funding Required	\$ 400,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning		\$ 200,000	\$ 200,000			\$ 400,000
Design						\$ -
Construction						\$ -
						\$ -
TOTAL	\$ -	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ 400,000

Funding Sources	Percentage	2025	Amount
Water FCCs	53%		\$0
Water Rates	47%		\$0
			\$0
Total	100%		\$0

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Hydroelectric

Project Number:

PLANNED

Project Name:

Hydro Equipment and Facility Replacement Program

Project Category:

Reliability & Service Level Improvements

Priority:

2

PM:

M. Heape

Board Approval:

Project Description:

This is a program to replace equipment and facilities used in the hydro system that have failed or reached end of useful life. Funding will be used for hydro facilities rehabilitation, such as building improvements that will extend the life of the asset.

Basis for Priority:

Project purpose is to maintain existing assets and prolong their useful service life and reliability.

Project Financial Summary:

Funded to Date:	\$	-	Expenditures through end of year:	
Spent to Date:	\$	-	2025 - 2029 Planned Expenditures:	\$ 375,000
Cash flow through end of year:	\$	-	Total Project Estimate:	\$ 375,000
Project Balance	\$	-	Additional Funding Required	\$ 375,000

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Study/Planning						\$ -
Design						\$ -
Construction	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 375,000
						\$ -
TOTAL	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 375,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$75,000
Total	100%		\$75,000

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

Hydroelectric

Project Number: PLANNED
Project Name: Hydro Powerhouse Equipment and Facility Replacement Program
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Leanos **Board Approval:**

Project Description:

This is a program to replace equipment used in the powerhouse that have failed or reached end of useful life. Funding will be used for powerhouse equipment rehabilitation, such as replacing the relay protection systems (Beckwith), rebuilding cooling pumps, replacing/rebuilding HPS systems, instrumentation, trip sensor and other aged out and critical components.

Basis for Priority:

Project purpose is to maintain existing assets and prolong their useful service life and reliability.

Project Financial Summary:			
Funded to Date:	\$	-	Expenditures through end of year:
Spent to Date:	\$	-	2025 - 2029 Planned Expenditures: \$ 375,000
Cash flow through end of year:	\$	-	Total Project Estimate: \$ 375,000
Project Balance	\$	-	Additional Funding Required \$ 375,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning						\$ -
Design						\$ -
Construction	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 375,000
						\$ -
TOTAL	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 375,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$75,000
Total	100%		\$75,000

Funding Comments:

Project Number: PLANNED
Project Name: Spill 3 Crib Wall Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** TBD **Board Approval:**

Project Description:

This section of canal has Spillway No. 3 and is located on the south side of the American River above the USFS 30-Mile Tract subdivision. Spillway No. 3 is no longer used due to the presence of erosive soils in the spillway channel. The spillway structure and canal bench at this location is supported by an earth fill bench and degraded timber crib wall, which was identified for replacement during a recent comprehensive inspection of all flumes and spillways in the Project 184 conveyance between Kyburz and Forebay Reservoir. In 2018 District staff placed temporary measures to buttress the canal to hold in place until design and construction can be completed. Priority for this project was developed with the Canal and Flume Assessment studies. Construction costs are not known. Cost will be developed as design progresses.

Basis for Priority:

Failures would result in significant impacts to environmentally sensitive areas. Additionally, one third of the District's water supply would be out of service for an extended period to make emergency repairs resulting in interruption of the reliable delivery of water for consumptive use and hydroelectric power generation.

Project Financial Summary:

Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 325,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 325,000
Project Balance	\$ -	Additional Funding Required	\$ 325,000

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Study/Planning/Env			\$ 25,000			\$ 25,000
Design				\$ 100,000	\$ 200,000	\$ 300,000
Construction						\$ -
						\$ -
TOTAL	\$ -	\$ -	\$ 25,000	\$ 100,000	\$ 200,000	\$ 325,000

Funding Sources	Percentage	2025	Amount
Water rates	100%		\$0
			\$0
			\$0
Total	100%		\$0

Funding Comments:

Recreation Projects

Project Number: PLANNED
Project Name: Recreation Facility Replacement Program
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Bertram **Board Approval:**

Project Description:

This is a program to replace infrastructure at District-owned recreation facilities that have failed or reached end of useful life. Funding will be used for recreation facilities such as road and campground improvements within the campgrounds, as well as improvements in day use areas that will extend the life of the asset. Some campground spurs might require paving or aprons to prevent damage to existing pavement and campsites.

Pinecone Restroom: The restroom located on the Pinecone strip has issues with the existing underground vault. This vault needs to be replaced, or the restroom replaced in full. This will be completed in 2025.

Sierra Campground Improvements: The Sierra Campground and day use area needs improvements. These improvements will include camp site improvements and pavement of the campground loop (to include storm water runoff mitigation where needed). Design will be completed in 2026, and construction will take place over 2027 and 2028.

Hilltop Campground Improvements: The Hilltop Campground needs improvements. These improvements will include camp site improvements and pavement of the campground loop (to include storm water runoff mitigation where needed). Design will be completed in 2028, and construction will take place over 2029 and 2030.

Basis for Priority:

Project purpose is to maintain existing assets and prolong their useful service life and reliability.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 480,000
Cash flow through end of year:		Total Project Estimate:	\$ 480,000
Project Balance	\$ -	Additional Funding Required	\$ 480,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Pinecone Restroom	\$ 100,000					\$ 100,000
Sierra Campground Improvements		\$ 65,000	\$ 125,000			\$ 190,000
Hilltop Campground Improvements				\$ 65,000	\$ 125,000	\$ 190,000
TOTAL	\$ 100,000	\$ 65,000	\$ 125,000	\$ 65,000	\$ 125,000	\$ 480,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$100,000
Total	100%		\$100,000

Funding Comments:

Project Number: PLANNED
Project Name: Sly Park Recreation Area Facility Improvements
Project Category: Master Planning
Priority: 3 **PM:** Bertram **Board Approval:**

Project Description:

The scope of this program will be to analyze and implement park improvements as described in the Sly Park Master Plan. The addition of these new facilities will generate more income, enhance the level of environment protection, improve water quality, provide facilities that enhance the visitor's experience, and increase the level of safety for park visitors and EID employees.

Bumpy Meadows / Waterfall Trailhead Parking and Day Use Area Expansion: This project is to complete a design and perform environmental permitting to expand the day use facilities at the Bumpy Meadows / Waterfall Trailhead location. Design will start in 2027, and be completed over the course of several years. Once a design and environmental permitting has been completed, the District will pursue grant funding to complete the construction.

Day Use Area Upgrades and Expansion: This is to perform an analysis to upgrade and increase the day use areas throughout the park. This project will be to start design and environmental permitting for day use area upgrades. Once a design is complete, the District will pursue grant funding to complete the construction.

Basis for Priority:

Continued increased risk to the environment and water quality, health and safety risk for SPRA visitors and EID staff, revenue generation and increased customer satisfaction.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 265,000
Cash flow through end of year:		Total Project Estimate:	\$ 265,000
Project Balance	\$ -	Additional Funding Required	\$ 265,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Bumpy Meadows / Waterfall Trailhead Parking and Day Use Area Expansion			\$ 45,000	\$ 60,000	\$ 60,000	\$ 165,000
Day Use Area Upgrades and Expansion				\$ 40,000	\$ 60,000	\$ 100,000
TOTAL	\$ -	\$ -	\$ 45,000	\$ 100,000	\$ 120,000	\$ 265,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	100%		\$0
Total	100%		\$0

Funding Comments:

General District Projects

2025**CAPITAL IMPROVEMENT PLAN**

Program:

General District**Project Number:****18055****Project Name:****Hansen 7 Software Replacement****Project Category:****Reliability & Service Level Improvements****Priority:****1****PM:****Sundaram****Board Approval:****Project Description:**

This project replaces the existing Hansen 7 enterprise software application with a modern enterprise solution providing superior features and functionality, including mobile device access and easier integration to other District systems. The project is anticipated to transform and streamline many current business processes and operations that now require time-consuming workarounds developed to overcome limitations in the current software.

Basis for Priority:

The Hansen 7 enterprise software application has reached the end of its useful and can no longer be adapted to meet business needs. The software is used daily by over 150 employees for customer service, utility billing, asset maintenance, and many other purposes.

Project Financial Summary:

Funded to Date:	\$ 11,408,557	Expenditures through end of year:	\$ 10,664,683
Spent to Date:	\$ 9,664,683	2025 - 2029 Planned Expenditures:	\$ 180,000
Cash flow through end of year:	\$ 1,000,000	Total Project Estimate:	\$ 10,844,683
Project Balance	\$ 743,874	Additional Funding Required	\$ -

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Consulting Services	\$ 50,000	\$ -				\$ 50,000
Software & Equipment	\$ 80,000					\$ 80,000
Capitalized Labor	\$ 50,000	\$ -				\$ 50,000
						\$ -
TOTAL	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ 180,000

Funding Sources	Percentage	2025	Amount
Water Rates	60%		\$0
Wastewater Rates	40%		\$0
Total	100%		\$0

Estimated remaining planned consulting and allowing for after CDR go-live additional support.

Funding Comments: Also including modifications or reconfigurations expected in 2025.

Project Number: 19029
Project Name: Wyse Laptop Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Parsons **Board Approval:**

Project Description:

The project replaces a range of mobile computing equipment and operating system software with modern solutions providing superior features, functionality, and security. The equipment is used daily by a mobile workforce of over 100 staff to perform a wide array of mission critical and essential duties. Most users of the modern mobile equipment this project provides will further benefit from improved mobile capabilities of the Hansen 7 Software Replacement project (18055) anticipated to transform and streamline many current business processes and operations.

Basis for Priority:

The equipment and operating system software have reached the end of their useful life and require replacement. As the aging equipment fails, the best case scenario is a minor financial impact due to a loss of productivity. However, as the operating system becomes unsupported and increasingly vulnerable over time to compromise, the risk of significant disruption or worse is very real.

Project Financial Summary:			
Funded to Date:	\$ 286,514	Expenditures through end of year:	\$ 184,619
Spent to Date:	\$ 154,619	2025 - 2029 Planned Expenditures:	\$ 100,000
Cash flow through end of year:	\$ 30,000	Total Project Estimate:	\$ 284,619
Project Balance	\$ 101,895	Additional Funding Required	\$ -

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Equipment Purchase	\$ 80,000					\$ 80,000
Capityalized Labor	\$ 20,000					\$ 20,000
Construction						\$ -
						\$ -
TOTAL	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000

Funding Sources	Percentage	2025	Amount
Water Rates	60%		\$0
Wastewater Rates	40%		\$0
			\$0
Total	100%		\$0

Funding Comments:

2025**CAPITAL IMPROVEMENT PLAN**

Program:

General District**Project Number:****23015****Project Name:****Remote Site Server Cabinet****Project Category:****Priority:****2****PM:****Tarbox****Board Approval:****Project Description:**

This project involves replacing SCADA network cabinet Air Conditioning units and Uninterruptable Power Supply Systems (UPS) dedicated for Information Technology and SCADA systems essential for operating critical District plants and remote facilities. The current Air Conditioning and UPS units have reached their end of useful life and are no longer reliable. 2025 cost estimates are based on a two hour UPS run time.

Basis for Priority:**Project Financial Summary:**

Funded to Date:	\$ 50,000	Expenditures through end of year:	\$ 46,887
Spent to Date:	\$ 1,887	2025 - 2029 Planned Expenditures:	\$ 823,000
Cash flow through end of year:	\$ 45,000	Total Project Estimate:	\$ 869,887
Project Balance	\$ 3,113	Additional Funding Required	\$ 819,887

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning	\$ -					\$ -
Equipment	\$ 700,000					\$ 700,000
Installation	\$ 100,000					\$ 100,000
Capitalized Labor	\$ 23,000					\$ 23,000
TOTAL	\$ 823,000	\$ -	\$ -	\$ -	\$ -	\$ 823,000

Funding Sources	Percentage	2025	Amount
Water Rates	60%		\$491,932
Wastewater Rates	40%		\$327,955
			\$0
Total	100%		\$819,887

Funding Comments:

Project Number: 24025
Project Name: Headquarter Facility Improvements
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Royal **Board Approval:**

Project Description:

The following building upgrade projects are planned for 2025 - 2029
 2025: Walkway accessibility from upper yard to H/Q building improvement. Backup power supply for upper fleet yard to support fleet operations and warehouse operations using old existing generator from HQ.
 2026: upper yard parking lot and road repair.
 2027: Replace 1/2 of HVAC units (17)
 2028: Replace 1/2 of HVAC units (16)
 2029: None

Fire panel replacement for 2024 cip expected to be finished by end of the 2024 year.
 LED lighting conversion in progress will be completed by end of the 2024 year.

Project Financial Summary:			
Funded to Date:	\$ 135,022	Expenditures through end of year:	\$ 19,089
Spent to Date:	\$ 19,089	2025 - 2029 Planned Expenditures:	\$ 614,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 633,089
Project Balance	\$ 115,933	Additional Funding Required	\$ 498,067

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning					\$ -	\$ -
Design						\$ -
Construction	\$ 200,000	\$ 200,000	\$ 110,000	\$ 104,000	\$ -	\$ 614,000
TOTAL	\$ 200,000	\$ 200,000	\$ 110,000	\$ 104,000	\$ -	\$ 614,000

Funding Sources	Percentage	2025	Amount
Water Rates	60%		\$50,440
Wastewater Rates	40%		\$33,627
Total	100%		\$84,067

Funding Comments:

Project Number: 24028.1
Project Name: New Security Systems
Project Category: Regulatory Requirements

Priority: 1 **PM:** Tarbox **Board Approval:**

Project Description:

There are six treated water facilities that need a security system. In addition, all 20 current District security systems need a new security system. Currently, about 30% of sensors that are used for alarms are not working. Operations management reports that personnel are being called out after-hours and that supervisors are receiving a lot of false alarms. The District's alarm and access control systems need to be replaced. This process is expected to take two years. After each site is converted, a new monitoring company will be used. Six new security systems will be installed between 2026 and 2030, as well as additional cameras and the replacement of existing ones, to conform with industry standards or the recommendations of the RFI security assessment. The new cameras will have better analytics to reduce false alarms, and supervisors will have the ability to review footage quickly on their mobile devices if needed. Materials, labor costs, license fees, and monitoring are all included in the price of this project.

Following a review of the RFI security evaluation, several of the components of the District's current security systems have either reached end of life or are no longer functional. The District has attempted to replace components that have broken here and there, but the security systems continue to malfunction. The District spends around \$25,000 per year on a maintenance contract with a security firm to replace broken equipment as needed. Furthermore, no contractor in the Sacramento area currently understands how to work on our current access control system Entre. In the last 5-10 years, security technology has advanced dramatically. For similar reasons, both South Tahoe PUD and El Dorado County recently installed new security systems.

Basis for Priority:

Meet the requirements of the Safe Drinking Water Act and America's Water Infrastructure Act through compliance with the District Drinking Water Risk Assessment, FERC Security Assessment, Department of Homeland Security, Federal Emergency Management Agency, California Government Code requirements for routine video storage, and the Department of Energy requirements for Emergency Action Plans and Critical Infrastructure security

Project Financial Summary:			
Funded to Date:	\$ 500,000	Expenditures through end of year:	\$ 150,000
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 2,071,000
Cash flow through end of year:	\$ 150,000	Total Project Estimate:	\$ 2,221,000
Project Balance	\$ 350,000	Additional Funding Required	\$ 1,721,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning						\$ -
Design						\$ -
Construction	\$ 515,000	\$ 371,000	\$ 385,000	\$ 400,000	\$ 400,000	\$ 2,071,000
						\$ -
TOTAL	\$ 515,000	\$ 371,000	\$ 385,000	\$ 400,000	\$ 400,000	\$ 2,071,000

Funding Sources	Percentage	2025	Amount
Water Rates	60%		\$99,000
Wastewater Rates	40%		\$66,000
			\$0
Total	100%		\$165,000

Funding Comments: Phase one (Res Covers) has completed RFP process, going to Board Sept 23 requesting \$500,000 of funding. Noted in Funding to Date. 2025 includes \$350k for Phase 1 and \$151k for Phase2.

Project Number: 24046.01
Project Name: Financial Software Replacement
Project Category: Reliability & Service Level Improvements

Priority: 2 **PM:** Kennedy/ Bandy **Board Approval:**

Project Description:

The version of Microsoft Dynamics Great Plains (Great Plains) that the District uses has published its end-of-life and end-of-support dates. Published end of extended support is January 2028. The District needs to either migrate to the newest version or replace the financial system with another product. This CIP will provide funding for the research and selection of a new financial system. Total estimated implementation costs will be evaluated and included in future CIP planning.

Basis for Priority:

Continued support and tax updates are critical for the continued operation of the District. It is imperative that the District has fully transitioned to a new system no later than mid 2028.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ 50,000
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 250,000
Cash flow through end of year:	\$ 50,000	Total Project Estimate:	\$ 300,000
Project Balance	\$ (50,000)	Additional Funding Required	\$ 300,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Study/Planning	\$ 250,000					\$ 250,000
Design						\$ -
Construction						\$ -
Capitalized Labor						\$ -
TOTAL	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000

Funding Sources	Percentage	2025	Amount
	100%		\$300,000
			\$0
			\$0
Total	100%		\$300,000

Funding Comments:

Project Number: PLANNED
Project Name: Arc Flash Risk Assessment Program
Project Category: Regulatory Requirements
Priority: 1 **PM:** Leanos **Board Approval:**

Project Description:

This program is intended to comply with regulatory requirements imposed by OSHA in regards to electrical safety of qualified workers. Majority of the electrical equipment in the District is no longer in compliance with the current regulatory requirements and National Fire Protection Association code (NFPA 70E 2021 Standard for Electrical Safety in the Workplace). In order for District to comply and avoid potential fines, Arc Flash Risk Assessment needs to be performed for each District facility that contains electrical hazards. Due to large amount of facilities and electrical equipment, this compliance requirement cannot be completed in a single year and must be separated into manageable portions. This program will assure District stays in compliance.

Basis for Priority:

Maintain electrical safety regulatory requirements of OSHA and NFPA70E. Determine replacement and improvement strategy to support regulatory compliance, improve service reliability and safety. This study will protect and preserve the health and safety of employees and the public.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:		2025 - 2029 Planned Expenditures:	\$ 89,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 89,000
Project Balance	\$ -	Additional Funding Required	\$ 89,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Professional Services	\$ 30,000	\$ -	\$ -	\$ -	\$ 35,000	\$ 65,000
Capitalized Labor	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000	\$ 24,000
						\$ -
						\$ -
TOTAL	\$ 42,000	\$ -	\$ -	\$ -	\$ 47,000	\$ 89,000

Funding Sources	Percentage	2025	Amount
Water Rates	60%		\$25,200
Wastewater Rates	40%		\$16,800
Total	100%		\$42,000

Funding Comments:

Project Number: **PLANNED**
Project Name: **IT Business Systems Replacement**
Project Category: **Reliability & Service Level Improvements**
Priority: **2** **PM:** **Sundaram** **Board Approval:**

Project Description:

Ongoing program to ensure the reliability, security, and performance of technologies and software used by staff daily to perform business processes in support of District operations. Technologies are typically a mix of cloud-based services and on-premise equipment or database software, and include:

- Administration Technologies: document management, accounting, purchasing, contracting, or support desk systems
- Engineering Technologies: asset management, drafting, modeling, analyzing, or construction management systems
- Operations Technologies: work management, specialty inspections, energy management, or laboratory information management systems

Business system technologies evolve steadily and manufacturers will typically cease new feature development 3 to 5 years after the product was initially released and usually end all support and security fixes when the product reaches about 5 to 10 years of age. The program tracks technologies in use at the District and provides modern, efficient, flexible, scalable, and secure replacement solutions before current equipment, systems, or services lose manufacturer support and/or fail with potentially catastrophic results.

Anticipated initiatives include:

- 2025 - Upgrade to next generation GIS software. Begin project to replace the Financial System. ITSM Service DeskTool.
- 2026 - Continue the Financial System replacement.

Basis for Priority:

Continued use of obsolete or failing technology causes operational inefficiencies at a minimum, and quite possibly increased risk of service interruptions, regulatory fines, data breach, or worse. Business system technologies typically have Internet access which exposes them regularly to a multitude of advanced persistent cyber threats. While access to the Internet can provide tremendous benefit, outdated or unpatched systems or software can become compromised in a matter of minutes.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 105,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 105,000
Project Balance	\$ -	Additional Funding Required	\$ 105,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Admin & Finance Technology						\$ -
Operations Technology	\$ 30,000	\$ -				\$ 30,000
Engineering Technology	\$ -		\$ 25,000	\$ 50,000		\$ 75,000
TOTAL	\$ 30,000	\$ -	\$ 25,000	\$ 50,000	\$ -	\$ 105,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	60%		\$18,000
Wastewater Rates	40%		\$12,000
Total	100%		\$30,000

Funding Comments:

Project Number: **PLANNED**
Project Name: **IT Communication Systems Replacement**
Project Category: **Reliability & Service Level Improvements**
Priority: **2** **PM:** **Stevenson** **Board Approval:**

Project Description:

Ongoing program to ensure the reliability, security, and performance of technologies and software used by staff daily to communicate, collaborate, and coordinate with other staff, customers, vendors, regulators, and others in support of District operations. Technologies are typically a mix of cloud-based services and on-premise equipment, and include:

- Voice & Video Calling: telephones, voice or video gateway equipment, call processing or routing software
- Meeting Technology: audio-visual equipment and software to conduct and manage physical or virtual meetings
- Email & Messaging: software applications to compose, manage, search and securely send or receive message and file transmissions
- Sharing & Collaboration: software platforms for individuals, teams or groups to create and publish content to an intranet or the Internet

Communications and collaboration technologies evolve steadily and manufacturers will typically cease new feature development 3 to 5 years after the product was initially released and usually end all support and security fixes when the product reaches about 5 to 10 years of age. The program tracks technologies in use at the District and provides modern, efficient, flexible, scalable, and secure replacement solutions before current equipment, systems, or services lose manufacturer support and/or fail with potentially catastrophic results.

Basis for Priority:

Continued use of obsolete or failing technology causes operational inefficiencies at a minimum, and quite possibly increased risk of service interruptions, regulatory fines, data breach, or worse. Communications and collaboration technologies typically have Internet access which exposes them regularly to a multitude of advanced persistent cyber threats. While access to the Internet can provide tremendous benefit, outdated or unpatched systems or software can become compromised in a matter of minutes.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 575,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 575,000
Project Balance	\$ -	Additional Funding Required	\$ 575,000

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Voice & Video Calling Upgrades	\$ 50,000	\$ -		\$ 100,000	\$ 50,000	\$ 200,000
Meeting Technology Upgrades	\$ -	\$ 50,000	\$ 100,000	\$ -	\$ 50,000	\$ 200,000
Cloud Email & Intranet Upgrades	\$ 125,000	\$ -			\$ 50,000	\$ 175,000
TOTAL	\$ 175,000	\$ 50,000	\$ 100,000	\$ 100,000	\$ 150,000	\$ 575,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	60%		\$105,000
Wastewater Rates	40%		\$70,000
Total	100%		\$175,000

Funding Comments:

Project Number: PLANNED
Project Name: IT End-User Technology Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Stevenson **Board Approval:**

Project Description:

Ongoing program to ensure the reliability, security, and performance of workstations, productivity software and related technology used by staff daily to operate the District. End-user technologies include:

- Virtual Machines (VMs): cloud-based workstations served by Virtual Desktop Infrastructure (VDI), client terminals and imaging software
- Personal Computers (PCs): traditional physical desktop and laptop computers, operating software, and computer management software
- Personal Productivity Software Suites: common software applications to create, view, edit and manage files or documents
- Endpoint Security Software: software designed to secure workstations from a variety of cyber threats

End-user technologies evolve quickly and manufacturers will typically cease product support and security fixes when the product is beyond five years of age. The program tracks technologies in use at the District and provides modern, efficient, flexible, scalable, and secure replacement solutions before current equipment, systems, or services lose manufacturer support and/or fail with potentially catastrophic results.

Planned initiatives include:

- Virtual desktop infrastructure and VM image replacement
- Replace end-of-life VM terminals and physical PCs unable to support Win 10 replacement
- Laptop replacements and UDM

Basis for Priority:

Continued use of obsolete or failing technology causes operational inefficiencies at a minimum, and quite possibly increased risk of service interruptions, regulatory fines, data breach, or worse. Personal productivity technologies typically have Internet access which exposes them regularly to a multitude of advanced persistent cyber threats. While access to the Internet can provide tremendous benefit, outdated or unpatched personal computer systems or software can become compromised in a matter of minutes.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 900,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 900,000
Project Balance	\$ -	Additional Funding Required	\$ 900,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
VM Upgrades	\$ 100,000				\$ 125,000	\$ 225,000
PC Upgrades	\$ 125,000	\$ 50,000	\$ 100,000	\$ 50,000	\$ 75,000	\$ 400,000
Personal Productivity & Security Software Upgrades	\$ 100,000	\$ 100,000	\$ -		\$ 75,000	\$ 275,000
TOTAL	\$ 325,000	\$ 150,000	\$ 100,000	\$ 50,000	\$ 275,000	\$ 900,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	60%		\$195,000
Wastewater Rates	40%		\$130,000
Total	100%		\$325,000

Funding Comments:

Project Number: PLANNED
Project Name: IT Network Infrastructure Replacement
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Stevenson **Board Approval:**

Project Description:

Ongoing program to ensure the reliability, security, and performance of mission critical networking and data processing technologies include:

- Local & Wide Area Networks (LANs/WANs): network equipment providing connectivity to facilities, servers, workstations, and other services
- Data Processing & Storage: cloud or on premise platforms providing shared computing, data storage and backup
- Access & Identity Management: enterprise software to manage, monitor and control access to computers, software, data, and services
- Network Security Systems: equipment and software designed to monitor, detect, and respond to a variety of cyber threats

Network infrastructure technologies evolve steadily and manufacturers will typically cease new feature development 3 to 5 years after the product was initially released and usually end all support and security fixes when the product reaches about 5 to 10 years of age. The program tracks technologies in use at the District and provides modern, efficient, flexible, scalable, and secure replacement solutions before current equipment, systems, or services lose manufacturer support and/or fail with potentially catastrophic results.

Basis for Priority:

Continued use of obsolete or failing technology causes operational inefficiencies at a minimum, and quite possibly increased risk of service interruptions, regulatory fines, data breach, or worse. Network infrastructure technologies typically have Internet access which exposes them regularly to a multitude of advanced persistent cyber threats. While access to the Internet can provide tremendous benefit, outdated or unpatched computer systems or software can become compromised in a matter of minutes.

Project Financial Summary:

Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 1,005,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 1,005,000
Project Balance	\$ -	Additional Funding Required	\$ 1,005,000

Description of Work	Estimated Annual Expenditures					
	2025	2026	2027	2028	2029	Total
Network Upgrades	\$ 75,000	\$ 140,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 365,000
Server, Data Processing & Storage Upgrades	\$ 200,000	\$ 140,000		\$ 50,000		\$ 390,000
Identity, Access & Security Upgrades	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
TOTAL	\$ 325,000	\$ 330,000	\$ 100,000	\$ 150,000	\$ 100,000	\$ 1,005,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	60%		\$195,000
Wastewater Rates	40%		\$130,000
Total	100%		\$325,000

Funding Comments:

Project Number: PLANNED
Project Name: Security Equipment Reliability Program
Project Category: Regulatory Requirements
Priority: 2 **PM:** Kennedy **Board Approval:**

Project Description:

Integrated security systems have been protecting District critical infrastructure and key resources since 2006, providing alarm verification through real-time CCTV system viewing of alarm events. As technology evolves and our systems reach end of life cycle we acquire the most effective solutions in hardware and software to maintain integrated security systems that provide timely detection and law enforcement response elements to mitigate theft, vandalism, trespassing, other malevolent incidents impacting critical infrastructure. The integrated system also provides an important emergency response capability required for compliance with the District Drinking Water Risk Assessment, FERC Security Assessment, Emergency Operations and Department Emergency Actions Plans as required by the Federal Safe Drinking Water Act, Title IV - Drinking Water Security and Safety, and America's Water Infrastructure Act of 2018.

Basis for Priority:

Meet the requirements of the Safe Drinking Water Act and America's Water Infrastructure Act through compliance with the District Drinking Water Risk Assessment, FERC Security Assessment, Department of Homeland Security, Federal Emergency Management Agency, and the Department of Energy requirements for Emergency Action Plans and Critical Infrastructure security.

Project Financial Summary:			
Funded to Date:		Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 260,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 280,000
Project Balance	\$ -	Additional Funding Required	\$ 260,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Consulting Services	\$ 10,000					\$ 10,000
Replacement	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
						\$ -
TOTAL	\$ 60,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 260,000

Estimated Funding Sources	Percentage	2024	Amount
Water Rates	60%		\$36,000
Wastewater Rates	40%		\$24,000
			\$0
Total	100%		\$60,000

Funding Comments:

2025

CAPITAL IMPROVEMENT PLAN

Program:

General District

Project Number: PLANNED
Project Name: SCADA Master Plan Implementation
Project Category: Reliability & Service Level Improvements
Priority: 2 **PM:** Leanos **Board Approval:**

Project Description:

This CIP outlines improvements and sustainability plan as recommended in the SCADA Master Plan.

Basis for Priority:

Meet the requirements of the Department of Homeland Security to maintain Critical Infrastructure security and software up to date and supported.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 225,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 225,000
Project Balance	\$ -	Additional Funding Required	\$ 225,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
EDHWW SCADA upgrade						\$ -
Camp 5 SCADA upgrade			\$ 150,000			\$ 150,000
SCADA Enterprise System Upgrade				\$ 75,000		\$ 75,000
TOTAL	\$ -	\$ -	\$ 150,000	\$ 75,000	\$ -	\$ 225,000

Estimated Funding Sources	Percentage	2025	Amount
Water Rates	60%		\$0
Wastewater Rates	40%		\$0
			\$0
Total	100%		\$0

Funding Comments:

Project Number: **PLANNED**
Project Name: **Vehicle Replacement Program**
Project Category: **Reliability & Service Level Improvements**
Priority: **2** **PM:** **Royal** **Board Approval:**

Project Description:

The following vehicle replacements are planned for 2025 - 2029.

2025: (5) 1/2 ton pickups, (4) suv's, (1) 3/4 ton pickup 4x4, (2) 1 ton utility truck 4x4 trucks, (1) 1 1/2 ton utility sewer truck, (1) 24ft patrol boat, (2) 410 backhoe, (1) FX40 vacuum excavation trailer.
 2026: (7) 1/2 ton pickups, (1) 4 door sedan, (2) suv's, (1) 3/4 ton 4x4 flatbed, (1) 1 ton extended cab 4x4 pickup, (1) 10-12 yard hydro vac truck, (1) 410 backhoe.
 2027: (4) 1/2 ton pickups, (2) 1 ton utility 4x4 trucks, (1) 1 1/2 ton flatbed dump truck 4x4, (1) 10-12 cubic yard dump truck with snow plow, (1) sewer foam truck, (1) 410 backhoe.
 2028: (4) 1/2 ton pickups, (1) 3/4 ton pickup with utility shell, (3) 1 ton utility 4x4 trucks, (1) 1 1/2 ton utility service truck with crane and power unit, (2) 40,000lb tilt equipment trailers.
 2029: (4) 1/2 ton pickups, (2) 1 ton extended cab 4x4 pickups, (2) 1 ton utility truck 4x4, (1) FX50 vacuum excavation trailer, (2) 40,000lb tilt equipment trailers, (1) 20,000lb tilt equipment trailer.

Basis for Priority:

Enhances District assets through life-cycle replacement of existing vehicles while staying in compliance with state regulations.

Project Financial Summary:			
Funded to Date:	\$ -	Expenditures through end of year:	\$ -
Spent to Date:	\$ -	2025 - 2029 Planned Expenditures:	\$ 5,524,000
Cash flow through end of year:	\$ -	Total Project Estimate:	\$ 5,524,000
Project Balance	\$ -	Additional Funding Required	\$ 5,524,000

Description of Work	Estimated Annual Expenditures					Total
	2025	2026	2027	2028	2029	
Vehicles/ Equipment	\$ 1,325,000	\$ 1,379,000	\$ 1,275,000	\$ 805,000	\$ 740,000	\$ 5,524,000
						\$ -
						\$ -
						\$ -
TOTAL	\$ 1,325,000	\$ 1,379,000	\$ 1,275,000	\$ 805,000	\$ 740,000	\$ 5,524,000

Funding Sources	Percentage	2025	Amount
Water Rates	60%		\$795,000
Wastewater Rates	40%		\$530,000
			\$0
Total	100%		\$1,325,000

Funding Comments:



2025 – 2029 DRAFT

CAPITAL IMPROVEMENT PLAN
WORKSHOP

September 23, 2024

Summary

- Annual budget development – Draft CIP developed and presented in a workshop September/October each year
- Adopted by Board by November prior to operating budget

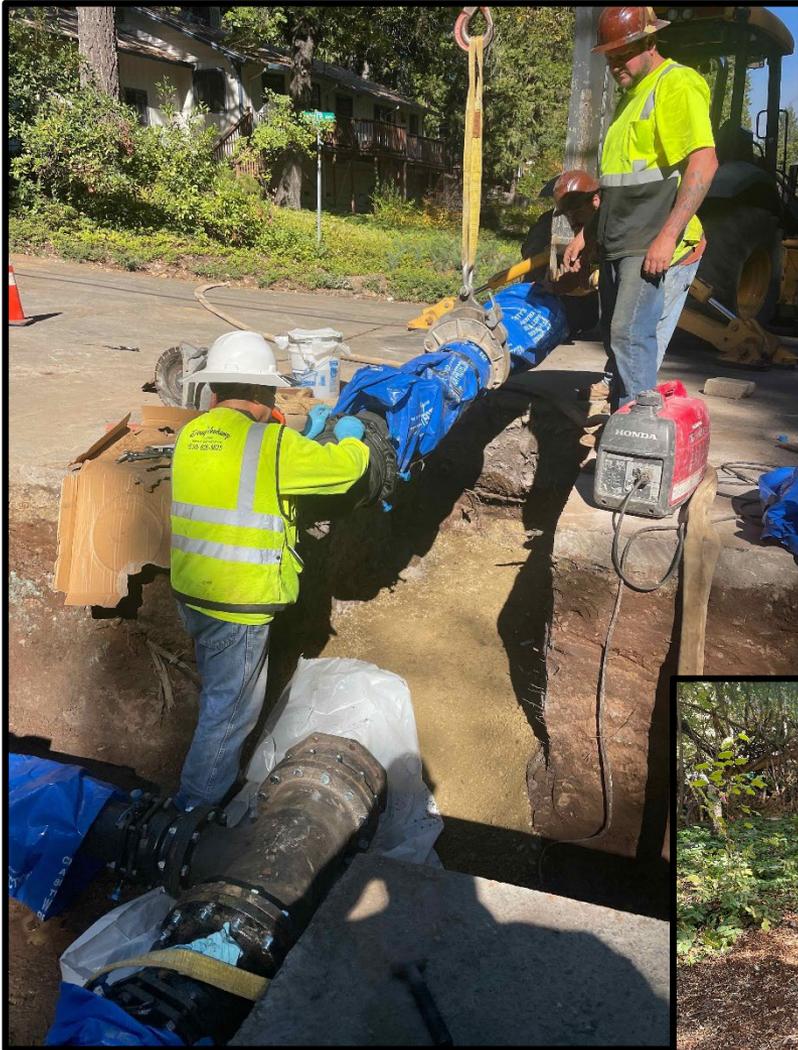
Completed / Substantially Complete Projects

- Echo Conduit emergency replacement
- Kyburz diversion dam upgrades
- Sly Park day use area stabilization
- Reservoir A water treatment plant filter valves replacement
- Forebay Road and Drop Off Road waterline replacement
- WTP Condition Assessments and Implementation Plan
- Motherlode forcemain replacement
- EDHWWTP Filters 5 and 6 rehabilitation
- EDHWWTP Secondary Effluent Pump Station modifications
- Water and Recycled Water Master Plan
- Headquarters roof replacement

Echo Conduit Emergency Replacement \$2.2M



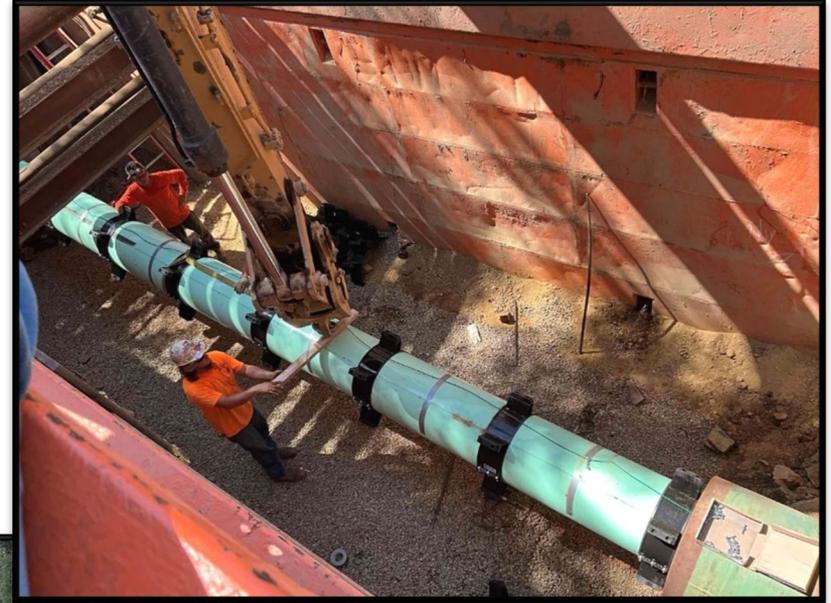
Forebay Road / Drop Off Road Waterline Replacement \$5.4M



Reservoir A WTP Filter Valves Replacement \$2.6M

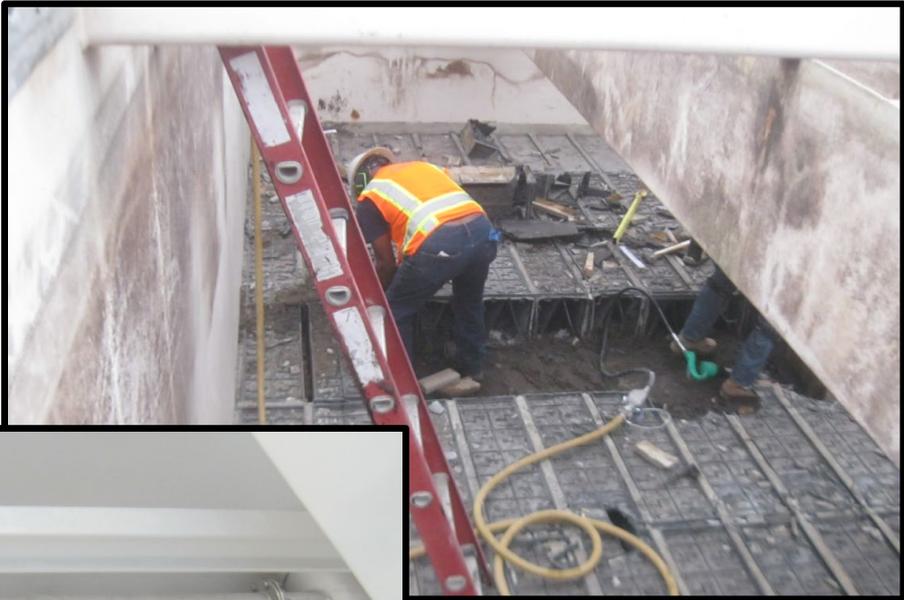


Motherlode Force Main Replacement \$15.9M



EDHWWTP Filters 5 & 6 Rehabilitation

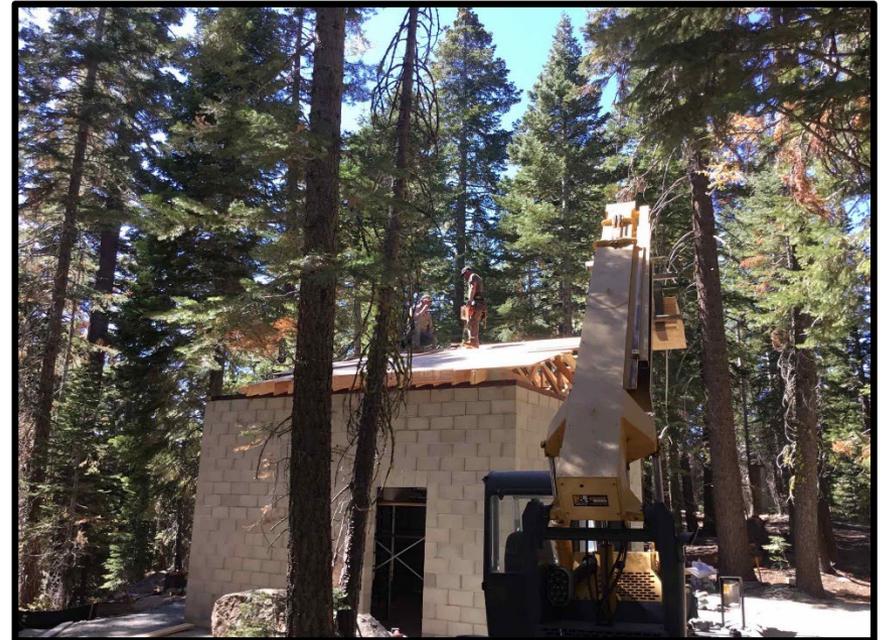
\$2.1M



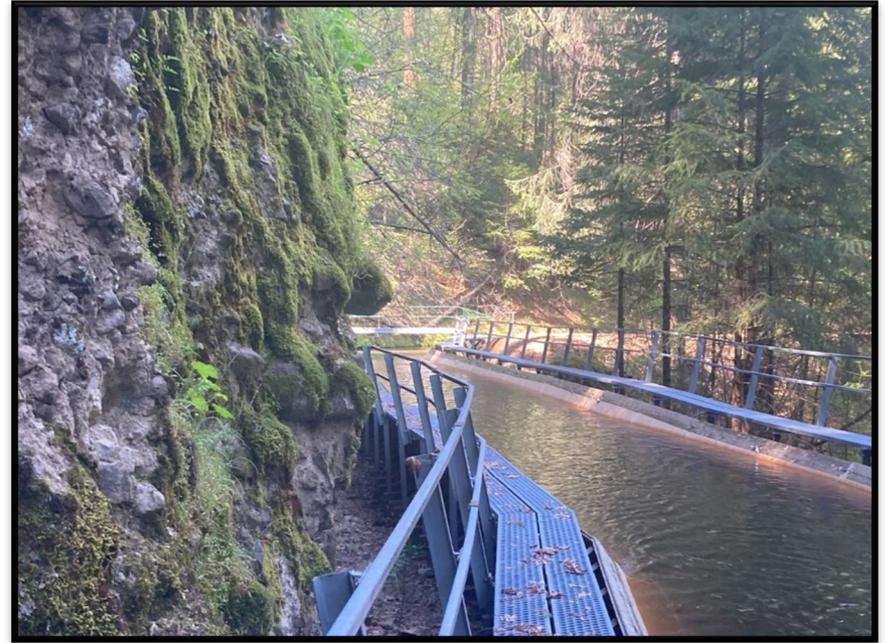
Projects under construction

- Flume 47A replacement
- Silver Lake East campground water system
- Sly Park Intertie improvements
- Reservoir 1 WTP generator replacement
- Water and wastewater facility backup generators
- Bass Lake tanks recoating and structural rehabilitation

Silver Lake East Campground Water System \$1.2M



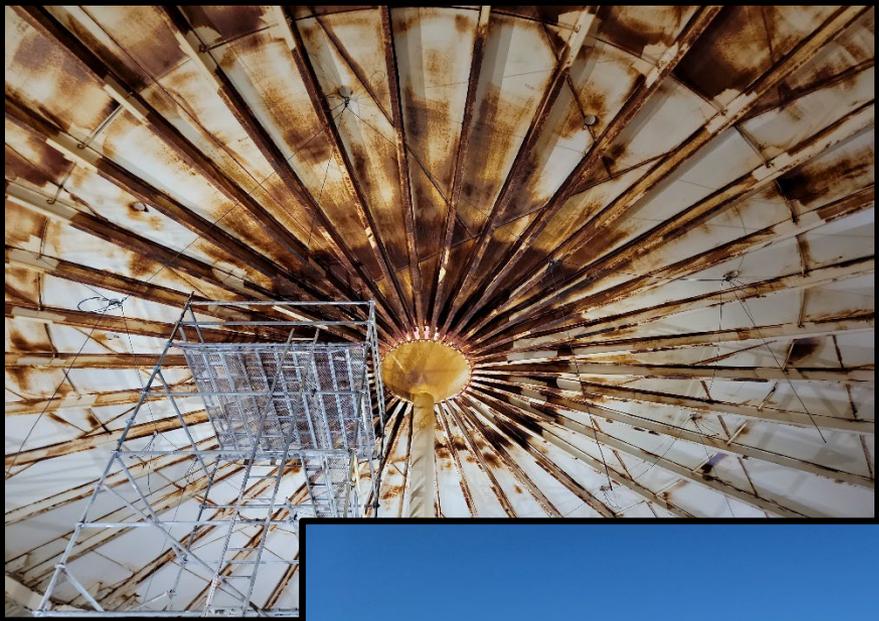
Flume 47A Replacement \$4M



Bass Lake Tanks

Recoating & Structural Replacement

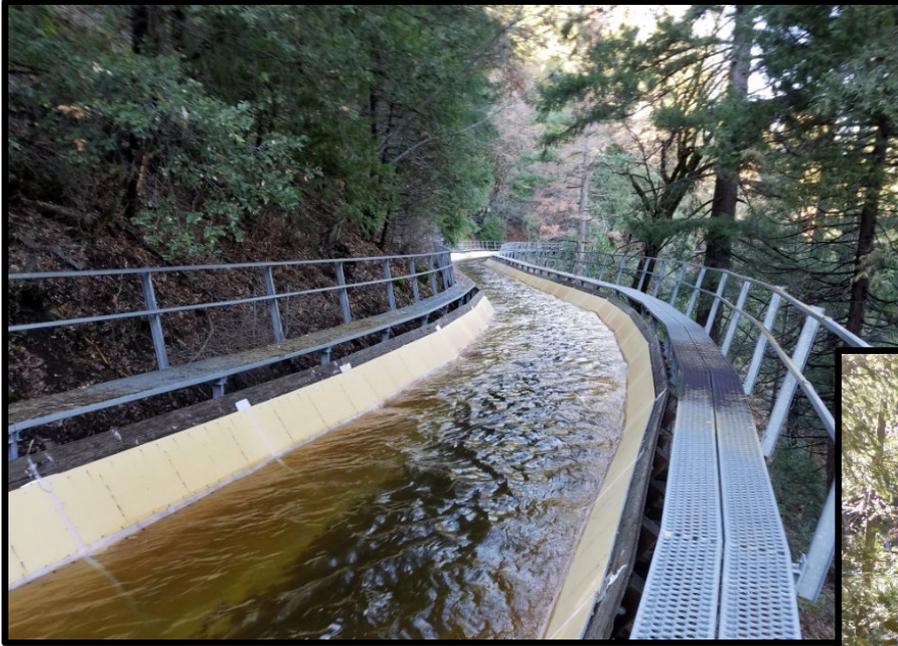
\$4.1M



Other Ongoing Projects

- Silver Lake dam replacement design
- Flume 45 Section 3 replacement design (grant)
- Flume 48 replacement design (grant)
- EDHWTP 24 mgd improvements design
- Reservoir 1 and Pollock Pines reservoir replacement design
- Water Right Permit 21112 change petition
- Hansen conversion
- Penstock improvements design

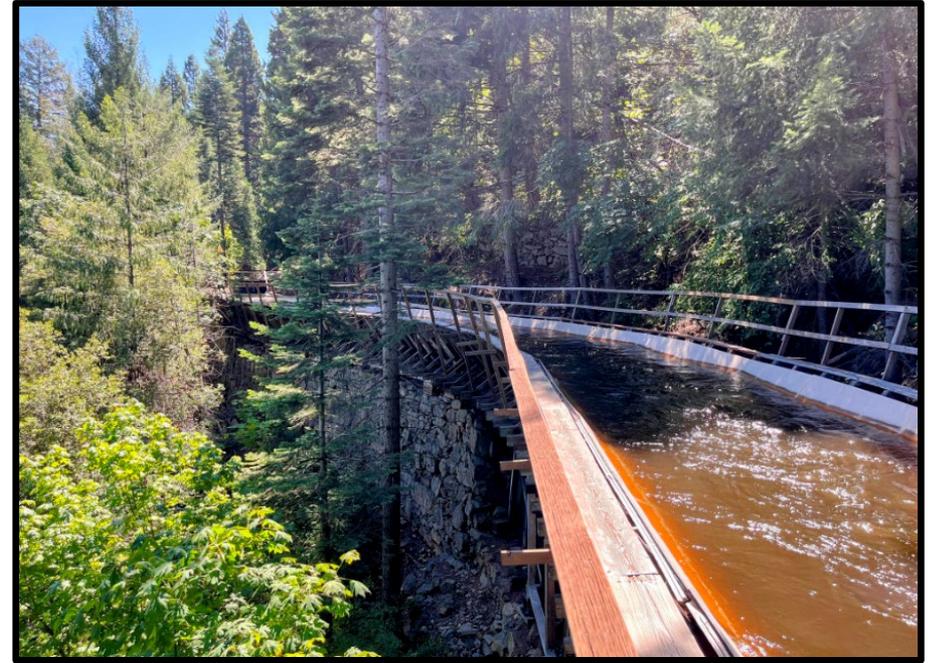
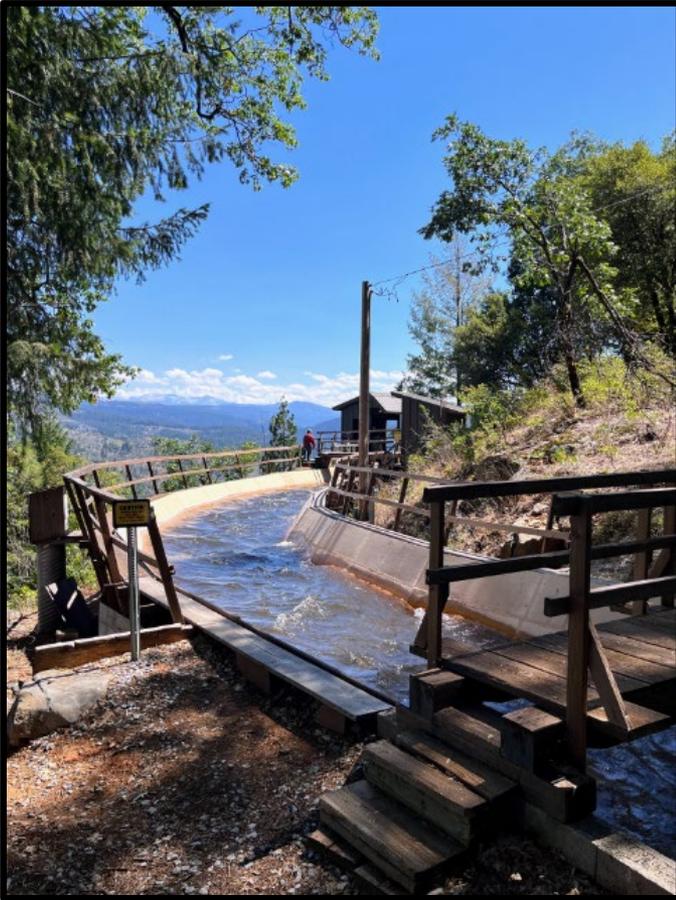
Flume 45 Section 3 Replacement



FEMA BRIC grant program

- Phase 1 - \$248,000 awarded
- Phase 2 - \$6.7 Million potential

Flume 48 Replacement



FEMA HMGP grant program

- Phase 1 - \$750,000 awarded
- Phase 2 - \$6.4 Million potential

Draft 2025-2029 CIP

- Challenges

- Fit planned CIP expenditures within financial plan with cost increases (i.e. Sly Park Intertie)
 - \$240M for water utility capital expenditures
 - \$36M for wastewater utility expenditures
- Deferral of several needed projects and programs with association risk
- Focused look at 2025 projects

Prioritization

- Priority 1
 - a) Health/safety; b) regulatory mandates; c) under construction
- Priority 2
 - a) Reliability/replacement; b) increased revenue; c) increased growth
- Priority 3
 - a) Improves efficiency; b) level of service; c) community benefit
- Assign additional priority level to rank similar projects
 - 1, 2, 3

Prioritization example

PROJECT DESCRIPTION	PROGRAM	PRIORITY	PROJECT Ranking Level 2	PROJECT Ranking Level 3	2025 PLANNED
Hydro Arc Flash Risk Assessment Program	HY	1	a	1	65,000
Silver Lake Dam Replacement	HY	1	b	1	1,300,000
Flume 47A Replacement	HY	1	c	1	872,914
Powerhouse Fiber Communication Improvements	HY	2	a	1	620,000
Annual Canal and Flume Improvements Program	HY	2	a	1	425,000
Flume 45 Section 3 Replacement	HY	2	a	1	121,000
Penstock Improvements	HY	2	a	2	80,000
Flume 4 Replacement	HY	2	a	3	0
Spill 3 Crib Wall Replacement	HY	2	a	3	0
Flumes 45A, 46A, and 47B Replacement	HY	2	a	4	0
Camp 2 Structure	HY	2	a	4	0
Hydro Assessments	HY	3	a	1	0
Diversion - Fish Ladder Improvements	HY	3	a	3	0

Project deferrals and reductions

- Initial 5-year CIP started at \$387M
- Staff made deferrals and cuts of approximately \$67M outside of 5-year plan
- Deferred projects within 5-year plan to even workload and expenditures

Draft 2025 – 2029 CIP

\$ millions	2025	2026	2027	2028	2029	TOTAL
FERC	\$0.8	\$1.1	\$1.0	\$0.3	\$0.3	\$3.6
Water	\$50.4	\$30.5	\$40.3	\$37.7	\$35.9	\$194.9
Wastewater	\$7.7	\$9.6	\$5.7	\$6.6	\$4.6	\$34.2
Recycled Water	\$0.3	\$3.3	\$3.5	\$1.1	\$0.6	\$8.8
Hydroelectric	\$4.7	\$4.7	\$39.7	\$14.3	\$1.4	\$64.8
Recreation	\$0.1	\$0.1	\$0.2	\$0.2	\$0.2	\$0.8
General District	\$4.4	\$2.5	\$2.3	\$1.8	\$1.7	\$12.7
Total	\$68.3	\$51.8	\$92.8	\$62.0	\$44.9	\$319.8

CIP Comparison

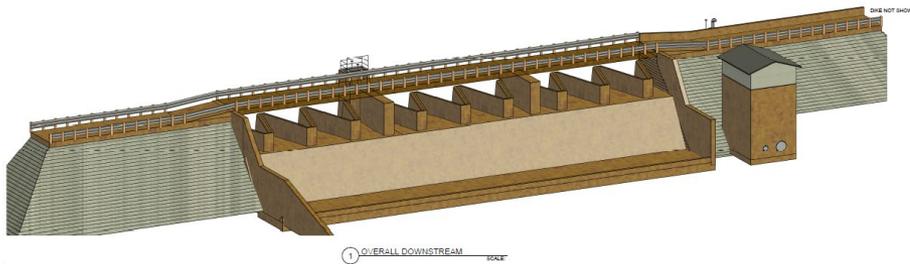
(in millions)								
	2023	2024	2025	2026	2027	2028	2029	Totals
2023-2027 CIP	\$48.6	\$53.3	\$47.4	\$26.4	\$32.6			\$208.3
2024-2028 CIP		\$55.6	\$47.7	\$53.2	\$83.9	\$80.9		\$321.4
2025-2029 CIP (Draft)			\$68.3	\$51.8	\$92.8	\$61.9	\$44.9	\$319.8

- Actual expenditures typically 70-90% of planned
- \$275 million over the 5-year period
 - 100% expenditure of bond funded projects, 70% other projects
- Matches financial plan

Project deferral examples

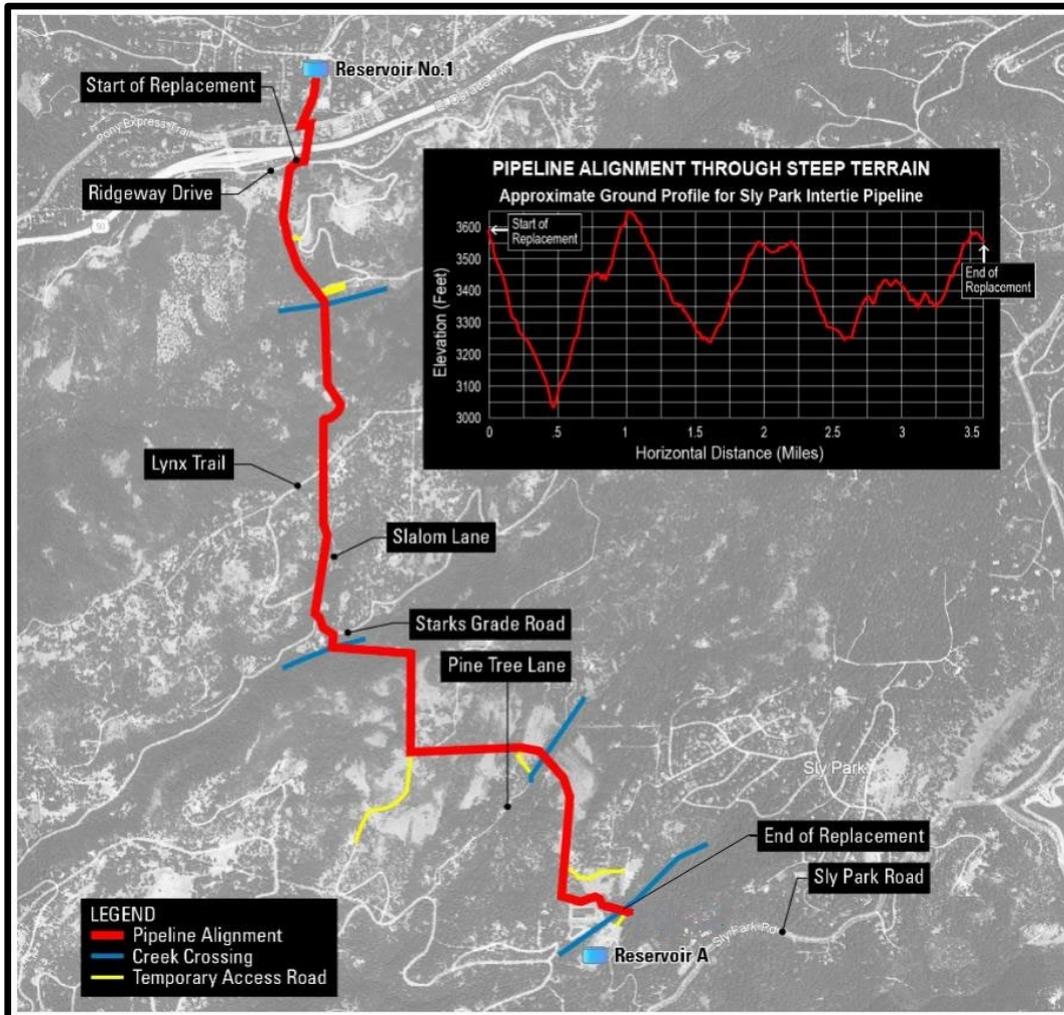
Project	Potential Effect
Service Line replacement	Reactive replacement instead of proactive replacement, additional unplanned service line leaks and repairs
Water storage tank rehabilitation program	Continued corrosion, structural replacement
Water line replacement program	Increased leaks and unplanned outages
Reservoir 1 WTP improvements	Floating cover failures, process related issues
Water pump station, sewer lift station replacement	Increased unplanned outages, sewer overflows

Silver Lake Dam Replacement 2025-2029: \$50M



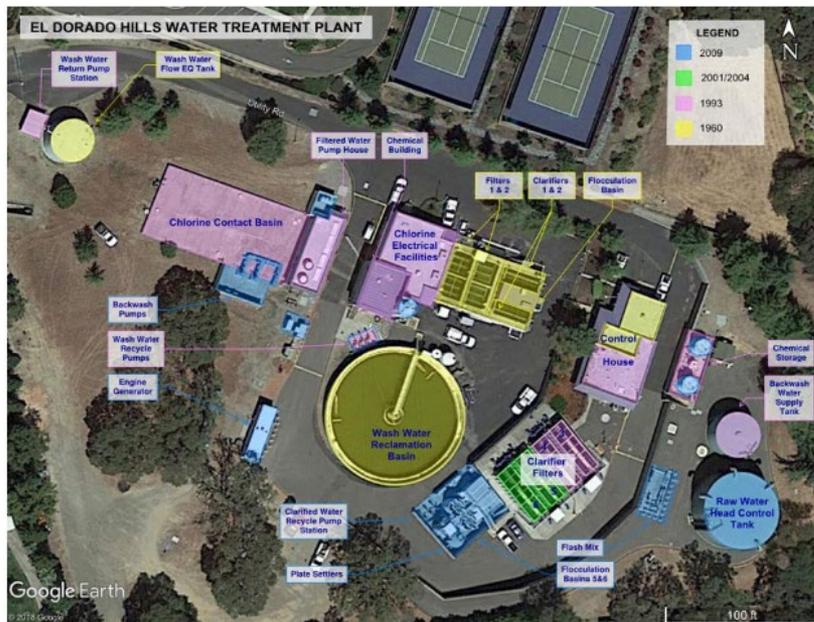
PROGRESS 30%

Sly Park Intertie Replacement 2025-2026: \$50M (\$10M grant)

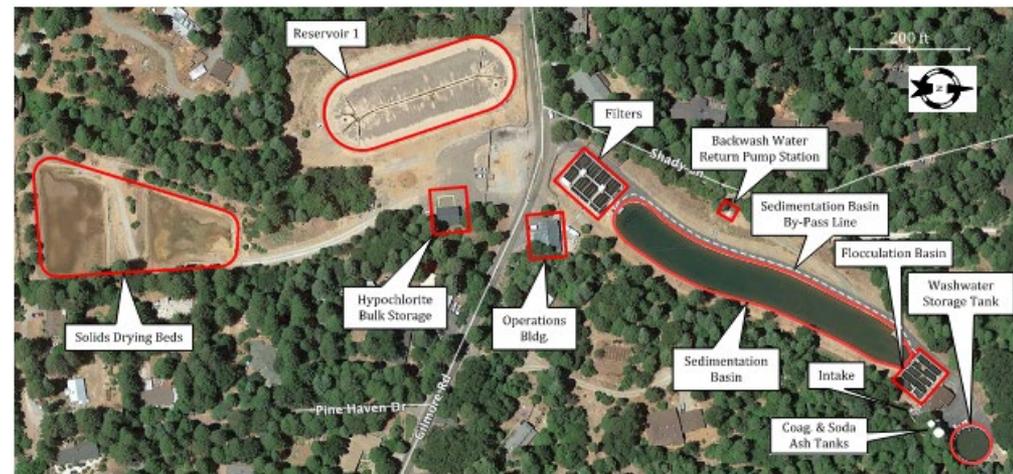


EDHWTP Water Treatment Plant Improvements 2025-2029: \$100M

- Recently awarded design contract
- Reservoir 1 WTP improvements deferred



EDHWTP



Reservoir 1 WTP

Water Storage Recoating and Replacement 2025-2029: \$18.5M



Service Line Replacement 2025-2029: \$7.8M



- Expenditures cut in half from previous years



Waterline Replacement Projects 2025-2029: \$6.5M



- Deferrals from previous levels
- In-house waterline replacement in lieu of proactive service line replacement

Wastewater lift station upgrades 2025-2029: \$7M

- Indian Creek lift station
- St. Andrews lift station
- Communication upgrades and other improvements



Wastewater pipeline replacement 2025-2029: \$14M

- Strolling Hills sewer line
- Collection system gravity pipelines
- Ponderosa Heights force main
- Marina Village force main



General District projects 2025-2029

- Hansen 7 conversion \$180,000
- Vehicle replacement \$5.5M
- IT Infrastructure/systems replacement \$1M
- Facility Security Systems \$2M

Financing large projects

- 2024 bond issuance (\$70M)
 - Sly Park Intertie
 - EDHWTP design
 - Water storage – Reservoir 4, Reservoir 7A and Bridlewood
- Projected 2027 bond issuance (\$140M)
 - EDHWTP construction
 - Silver Lake Dam replacement
- Six projects account for over \$200M in expenditures

Financing the 2025-2029 CIP

- \$275M actual expenditures over 5 years
 - Large projects funded by bond proceeds
 - Annual revenue for pay-as-you-go projects
 - Facility Capacity Charge (FCC) revenue/FCC reserves
- Grants
 - Project grants - \$16M
 - Sly Park Intertie, Flume 45, **Flume 48**, backup generators, large meters
 - Pending grant applications – \$31M
 - Flume replacement, floating cover reservoirs, recreation
 - Silver Lake Dam

Next steps

- Receive Board/public input
- October 15 Board meeting
 - CIP adoption
 - Operating Budget and Financial Plan workshop

Questions

EL DORADO IRRIGATION DISTRICT

SUBJECT: Consider adopting a resolution to approve the facility capacity charges recommended by the 2024 Facility Capacity Charges Update Study.

PREVIOUS BOARD ACTION

August 26, 2013 – Board adopted a resolution for the adoption of the Update to the District's Facility Capacity Charges.

August 26, 2024 – Board held a workshop on the 2024 Facility Capacity Charges Update.

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

BP 9020 Establishing New Service

AR 9022 Payment of Service Connection Charges

AR 9028.1 Facility Capacity Charge

Government Code Section 66013

Government Code Section 66016

SUMMARY OF ISSUE

The District periodically reviews its Facility Capacity Charges (FCCs) to ensure they accurately reflect the costs of providing service to new customers.

BACKGROUND/DISCUSSION

The District collects FCCs, which are one-time connection fees paid by new water, wastewater, and/or recycled water customers. FCCs are also assessed to existing customers requiring increased system capacity. The receipts from this charge are used to finance the development of capacity-related water, wastewater, and recycled water facilities.

The primary function of water, wastewater and recycled water FCCs is to recover the cost of those portions of existing District facilities that will be used by future customers and to fund needed expansion, or additional capacity, of District facilities to serve new users. The District remains neutral on growth issues but has a legal obligation to provide service, on reasonable terms and conditions, to new users approved by the agencies that govern land use within EID's service area. Per Board policy, the District levies FCCs on new development in amounts sufficient to ensure that existing customers do not subsidize new growth.

Staff retained the services of Water Resources Economics to assist in reviewing the methodologies, updating the FCC calculations, and preparing a comprehensive report. On August 26, 2024, the Board held a workshop on the 2024 FCC Update to review the preliminary calculations. A final report has been prepared that details the methodology and calculations of the updated FCCs (Attachment A).

Comparison of Current and Proposed FCCs – ¾-inch meter

Current vs. Proposed FCCs	Current FCC	Proposed FCC	Difference (\$)
Potable Water (per EDU)	\$25,178	\$33,809	\$8,631
Wastewater (per EDU)	\$17,934	\$13,794	(\$4,140)
Recycled Water (per EDU)	\$4,246	\$3,115	(\$1,131)
Agricultural Metered Irrigation (per EDU)	\$1,123	\$10,416	\$9,293
Dual Plumbed Residential (per EDU)	\$20,907	\$23,288	\$2,381
Private Fire Service (8-inch connection)	\$30,290	N/A	N/A
Private Fire Service (10-inch connection)	\$47,710	N/A	N/A

Environmental Review

The adoption of the 2024 FCC Update Study is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code section 21080(b)(8)(C) and (D), and CEQA Guidelines section 15273(a)(3) and (4), because the FCCs are for the purposes of meeting financial reserve needs and requirements and obtaining funds for capital projects necessary to maintain service within existing service areas. If the Board approves the 2024 FCC Update Study, staff will file a Notice of Exemption (NOE) from CEQA with the El Dorado County Recorder-Clerk's office, the California State Clearinghouse, and post the NOE on the District's website.

Conclusion

If approved through Board resolution (Attachment B), the new FCCs will go into effect on January 1, 2025, and will be escalated by the Engineering News-Record 20-City Construction Cost Index to reflect 2025 dollars. Annual escalations will occur on January 1 of each year until a future FCC update is approved by the Board.

BOARD OPTIONS

Option 1: Adopt a resolution to approve the facility capacity charges recommended by the 2024 Facility Capacity Charges Update Study.

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

Option 3: Take no action.

RECOMMENDATION

Option 1

ATTACHMENTS

Attachment A: 2024 Facility Capacity Charges Update Study

Attachment B: Proposed resolution



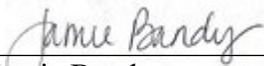
Mike Brink
Supervising Civil Engineer



Brian Mueller
Engineering Director



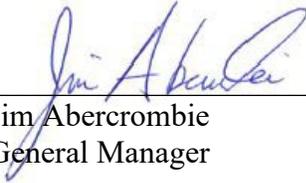
Brian Deason
Environmental Resources Supervisor



Jamie Bandy
Finance Director



Brian Poulsen
General Counsel



Jim Abercrombie
General Manager

El Dorado Irrigation District

2024 Facility Capacity Charges Update Study
Final Report – September 12, 2024

Prepared by: Water Resources Economics, LLC



**Water Resources
Economics**

PROMOTING THE VALUE AND PRICE OF
WATER SERVICE

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September 12, 2024

Brian Mueller, P.E.
Director of Engineering
El Dorado Irrigation District
2890 Mosquito Road
Placerville, CA 95667

Subject: El Dorado Irrigation District 2024 Facility Capacity Charges Update Study

Dear Mr. Mueller,

Water Resources Economics, LLC is pleased to submit this 2024 Facility Capacity Charges (FCC) Update Study Report to El Dorado Irrigation District. This report documents the results and recommendations of the 2024 FCC Update Study. The overall goal of the study was to develop updated FCCs that ensure that new development contributes its fair share towards capital investments required to ensure sufficient system capacity. The underlying principle is that growth should pay for growth such that existing ratepayers are not unfairly burdened by costs incurred to accommodate new development.

This FCC Update Study utilized industry-standard methodology in accordance with guidelines developed by the American Water Works Association. Our project team has a proven track record of developing fair and equitable capacity charges for numerous public water and wastewater agencies in California over the past 25 years. We are confident in our ability to develop capacity charges that satisfy relevant legal requirements in California.

It has been a pleasure assisting the District and we appreciate the support provided by yourself and other District staff throughout the 2024 FCC Update Study process.

Sincerely,

Sanjay Gaur, Founder / President
Water Resources Economics, LLC

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LIST OF ABBREVIATIONS

AF: Acre-feet
AFY: Acre-feet per year
AMI: Agricultural metered irrigation
AR: Administrative Regulation
AWWA: American Water Works Association
CCI: Engineering News-Record Construction Cost Index (20-city national average)
CIP: Capital Improvement Plan
District: El Dorado Irrigation District
EDHWTP: El Dorado Hills Water Treatment Plant
EDU: Equivalent dwelling unit
FCC: Facility Capacity Charge
GPM: Gallons per minute
MFR: Multi-family residential
MGD: Million gallons per day
OCLD: Original cost less depreciation
OC: Original cost
RC: Replacement cost
RCLD: Replacement cost less depreciation
SFR: Single family residential
WRE: Water Resources Economics, LLC

1. EXECUTIVE SUMMARY

STUDY OVERVIEW

New connections to El Dorado Irrigation District’s potable water, recycled water, and wastewater systems are subject to Facility Capacity Charges (FCCs).¹ FCCs are necessary to ensure that existing users are not unfairly burdened by costs incurred to provide capacity to new users. FCCs are often referred to by other retail water and wastewater agencies as “capacity charges” or other similar terms. The District currently has adopted FCC schedules for six distinct categories of new connections:

1. Potable Water
2. Wastewater
3. Recycled Water
4. Agricultural Metered Irrigation (AMI)²
5. Dual Plumbed Residential³
6. Private Fire Service⁴

Public water and wastewater agencies typically conduct capacity charge nexus studies periodically to ensure that charges are fair, reasonable, and consistent with legal requirements. The District last conducted a capacity charge nexus study in 2013. Since 2013, the District has increased its adopted FCCs annually in proportion to changes in the Engineering News-Record’s 20-city national average Construction Cost Index (CCI).

The District engaged Water Resources Economics, LLC (WRE) in early 2024 to conduct a new capacity charge nexus study. The key objective of this 2024 FCC Update Study was to develop updated FCCs that are fair and equitable to both new development and existing users and are in alignment with legal requirements. In order to achieve this objective, WRE reviewed District data, determined the most appropriate FCC methodologies based on industry standards, and calculated proposed FCCs.

LEGAL REQUIREMENTS

Legal considerations relating to water and wastewater capacity charges in California focus heavily on California Government Code Section 66013(a), which states that public water and wastewater agencies in California must demonstrate that the capacity charges paid by new users connecting to the system do not exceed the estimated reasonable cost of providing the services for which the

¹ Note that existing connections requiring additional system capacity are also subject to FCCs based on incremental increases in capacity (e.g., when an existing water meter is replaced with a larger sized meter).

² Metered potable water connections used for agricultural irrigation purposes that meet the AMI criteria outlined in the District’s Administrative Regulation (AR) 9024.

³ Single family residential customers with both a potable water metered connection for indoor water needs and a recycled water metered connection for outdoor watering needs.

⁴ Dedicated potable water connections for private fire protection purposes such as fire suppression sprinklers, private hydrants, fire standpipes, etc. Note that only 8-inch and 10-inch connections are currently subject to FCCs.

charge is imposed and that the charge has a proportional benefit to the user. The primary means by which retail water and wastewater agencies in California address this requirement is by periodically conducting a capacity charge nexus study.

COMMON CAPACITY CHARGE METHODOLOGIES

The overall purpose of a capacity charge is to equitably recover capital costs incurred by the agency to provide system capacity to new users. Water and wastewater capacity charges in California are typically developed based on one of three common methodologies outlined by the American Water Works Association (AWWA) in its *Manual of Water Supply Practices M1: Principles of Water Rates, Fees and Charges, Seventh Edition*:

1. **Buy-in Method:** The Buy-in Method establishes capacity charges based on the value of the system's existing capital assets and is typically most appropriate when a system's current capacity is sufficient to serve both short-term and long-term projected demands. The rationale underlying the Buy-in Method is that new customers should pay to "buy-in" to existing system capacity funded by past and current users.
2. **Incremental Cost Method:** The Incremental Cost Method establishes capacity charges based on the cost of planned capital expenditures required to expand system capacity and is typically most appropriate when a system's current capacity is already fully utilized by existing users. The rationale underlying the Incremental Cost Method is that new users should fund planned capital projects that are necessary to accommodate growth in the service area.
3. **Hybrid Method:** The Hybrid Method⁵ establishes capacity charges based on a combination of the Buy-in Method and the Incremental Cost Method. The Hybrid Method is typically most appropriate when some existing capacity is available to new users, but capacity expansion is still necessary to accommodate long-term demands.

PROPOSED FCC METHODOLOGY

WRE worked closely with District staff to evaluate and determine the proposed methodology used to calculate proposed FCCs in this study, described below and summarized in Table 2-1.

- **Potable Water FCCs:** The 2013 FCC Update Study established Potable Water FCCs based on the Hybrid Method. WRE recommends retaining this methodology, as long-term future demands are expected to be met by a combination of both existing system capacity and future capacity expansion.
- **Wastewater FCCs:** The 2013 FCC Update Study established Wastewater FCCs based on the Hybrid Method. Consistent with potable water, WRE recommends retaining the Hybrid Method for proposed Wastewater FCCs, as future wastewater users will be accommodated by a combination of both existing system capacity and future capacity expansion.

⁵ The Hybrid Method is referred to by the AWWA as the "Combined Cost Approach."

El Dorado Irrigation District / 2024 FCC Update Study

- **Recycled Water FCCs:** The 2013 FCC Update Study utilized the Hybrid Method to establish Recycled Water FCCs. However, there is no longer any significant expansion-related CIP planned for the District’s recycled water system. Therefore, WRE recommends the Buy-in Method to establish proposed Recycled Water FCCs.
- **Agricultural Metered Irrigation (AMI) FCCs:** The basis for the District’s current AMI FCCs was not evaluated during the 2013 FCC Update Study. AMI customers do not directly benefit from significant portions of the potable water system, such as treatment facilities. Therefore, WRE recommends that new AMI connections be subject to a reduced version of the proposed Potable Water FCC based on their proportional utilization of the potable water system.
- **Dual Plumbed Residential FCCs:** Dual plumbed residential connections are subject to a Potable Water FCC and a Recycled Water FCC. However, the 2013 FCC Update Study established reduced Potable Water FCCs for dual plumbed residential connections. WRE recommends maintaining this approach.
- **Private Fire Service FCCs:** The basis for the District’s current Private Fire Service FCCs was not evaluated during the 2013 FCC Update Study. Separate capacity charges for dedicated private fire protection connections are not common in California. WRE therefore recommends that the District discontinue its Private Fire Service FCCs altogether.

Table 1-1: Existing and Proposed FCC Methodologies

FCC Category	Existing Methodology (per 2013 FCC Update)	Proposed Methodology (per 2024 FCC Update)
Potable Water	Hybrid	Hybrid
Wastewater	Hybrid	Hybrid
Recycled Water	Hybrid	Buy-in
Agricultural Metered Irrigation (AMI)	N/A	Hybrid
Dual Plumbed Residential	Hybrid	Hybrid (for Potable Water FCC component) / Buy-in for (Recycled Water FCC component)
Private Fire Service	N/A	Discontinued

PROPOSED CHANGES TO MULTI-FAMILY RESIDENTIAL FCCS

Current FCCs are differentiated by meter size for all customer classes except for multi-family residential, which are assessed per dwelling unit. Currently, each multi-family dwelling unit is subject to an FCC amount equal to 75% of the FCC amount for a ¾-inch water meter. WRE recommends that FCCs for new multi-family residential connections be assessed based on meter size rather than the number of dwelling units. This proposed change will treat multi-family residential connections consistently with all other customer classes, will simplify the FCC structure, and will better align the District with industry standards.

PROPOSED FCCS PER EQUIVALENT DWELLING UNIT (EDU)

Proposed FCCs were calculated based on the proposed methodologies using 2024 as a base year. Therefore, the District may apply annual CCI adjustments to the proposed FCCs beginning January 1, 2025, and each year thereafter. Current and proposed FCCs are compared on a per equivalent dwelling unit (EDU) basis below (see Table 1-2). One EDU is based on the capacity of a ¾-inch water meter and represents the water demand of a typical single family detached residence. The differences between proposed and current FCCs are primarily due to significant changes in planned expansion-related capital projects since the 2013 FCC Update Study.

Table 1-2: Comparison of Current and Proposed FCCs

Current vs. Proposed FCCs	Current FCC	Proposed FCC	Difference (\$)
Potable Water (per EDU)	\$25,178	\$33,809	\$8,631
Wastewater (per EDU)	\$17,934	\$13,794	(\$4,140)
Recycled Water (per EDU)	\$4,246	\$3,115	(\$1,131)
Agricultural Metered Irrigation (per EDU)	\$1,123	\$10,416	\$9,293
Dual Plumbed Residential (per EDU)	\$20,907	\$23,288	\$2,381
Private Fire Service (8-inch connection)	\$30,290	N/A	N/A
Private Fire Service (10-inch connection)	\$47,710	N/A	N/A

PROPOSED FCCS FOR TYPICAL SINGLE FAMILY RESIDENTIAL DEVELOPMENTS

The majority of new development in the District’s service area will be single family residential homes requiring potable water and wastewater services from the District. Therefore, a comparison of combined Potable Water and Wastewater FCCs for one EDU is shown below (see Table 1-3).

Table 1-3: Combined Potable Water and Wastewater FCCs

Combined Potable Water & Wastewater FCCs	Current FCC	Proposed FCC	Difference (\$)
Potable Water FCC (per EDU)	\$25,178	\$33,809	\$8,631
Wastewater FCC (per EDU)	\$17,934	\$13,794	(\$4,140)
Total	\$43,112	\$47,603	\$4,491

PROPOSED FCCS BY METER SIZE AND TYPE

A detailed schedule of all proposed FCCs by meter size and type is provided in Table 1-4. Proposed FCCs increase with meter size in proportion to the capacity of each meter size and type. This approach ensures that new connections are appropriately charged in proportion to water meter capacity. Each proposed FCC is equal to the sum of up to four distinct FCC components. The “Buy-in” and “Incremental Cost” components were calculated by WRE based on the proposed methodology. The “Gabbro Soils” and “Line & Cover 3” components are existing supplemental charges that apply to potable water services only. Each supplemental charge is designed to recover specific District costs attributable to new potable water connections. No changes to the existing supplemental charges were recommended as part of this study.

Table 1-4: Proposed FCC Schedule

Meter Size/ Connection Type	EDU Equivalency	Buy-In	Incremental Cost	Gabbro Soils ⁶	Line & Cover 3 ⁷	Proposed FCC
Potable Water						
3/4-inch	1.0	\$5,635	\$27,504	\$345	\$325	\$33,809
SFR 1-inch ⁸	1.0	\$5,635	\$27,504	\$345	\$325	\$33,809
1-inch	1.7	\$9,391	\$45,840	\$575	\$542	\$56,348
1.5-inch Turbine	4.0	\$22,540	\$110,016	\$1,380	\$1,300	\$135,235
2-inch Turbine	5.3	\$30,053	\$146,688	\$1,840	\$1,733	\$180,314
3-inch Turbine	11.7	\$65,740	\$320,879	\$4,025	\$3,792	\$394,436
4-inch Turbine	21.0	\$118,332	\$577,583	\$7,245	\$6,825	\$709,985
6-inch Turbine	46.7	\$262,961	\$1,283,517	\$16,100	\$15,167	\$1,577,745
8-inch Turbine	80.0	\$450,790	\$2,200,315	\$27,600	\$26,000	\$2,704,706
Wastewater						
3/4-inch	1.0	\$7,765	\$6,028	N/A	N/A	\$13,794
SFR 1-inch	1.0	\$7,765	\$6,028	N/A	N/A	\$13,794
1-inch	1.7	\$12,942	\$10,047	N/A	N/A	\$22,990
1.5-inch Turbine	4.0	\$31,062	\$24,113	N/A	N/A	\$55,175
2-inch Turbine	5.3	\$41,416	\$32,151	N/A	N/A	\$73,566
3-inch Turbine	11.7	\$90,597	\$70,329	N/A	N/A	\$160,927
4-inch Turbine	21.0	\$163,075	\$126,593	N/A	N/A	\$289,668
6-inch Turbine	46.7	\$362,389	\$281,317	N/A	N/A	\$643,706
8-inch Turbine	80.0	\$621,239	\$482,258	N/A	N/A	\$1,103,497
Recycled Water						
3/4-inch	1.0	\$3,115	\$0	N/A	N/A	\$3,115
1-inch	1.7	\$5,192	\$0	N/A	N/A	\$5,192
1.5-inch Turbine	4.0	\$12,461	\$0	N/A	N/A	\$12,461
2-inch Turbine	5.3	\$16,614	\$0	N/A	N/A	\$16,614
3-inch Turbine	11.7	\$36,344	\$0	N/A	N/A	\$36,344
4-inch Turbine	21.0	\$65,419	\$0	N/A	N/A	\$65,419
6-inch Turbine	46.7	\$145,376	\$0	N/A	N/A	\$145,376
8-inch Turbine	80.0	\$249,216	\$0	N/A	N/A	\$249,216

⁶ The Gabbro Soils supplemental charge funds the protection and management of eight rare and endangered plants that grow in gabbro soil environments in the District’s service, as required by the District’s Water Right Permit 21112.

⁷ The Line & Cover 3 supplemental charge recovers future users’ fair share of debt service payments associated with the District’s Line and Cover Reservoir Program. The Line & Cover 3 supplemental charge will expire on April 1, 2028.

⁸ Single family residential (SFR) connections are required to have 1-inch meters for fire protection purposes, even though their demands could otherwise be met by a 3/4-inch meter. Therefore, they are charged at an amount equal to 3/4-inch meters.

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Meter Size/ Connection Type	EDU Equivalency	Buy-In	Incremental Cost	Gabbro Soils ⁶	Line & Cover 3 ⁷	Proposed FCC
Agricultural Metered Irrigation (AMI)						
3/4-inch	1.0	\$2,321	\$7,426	\$345	\$325	\$10,416
1-inch	1.7	\$3,868	\$12,376	\$575	\$542	\$17,361
1.5-inch Turbine	4.0	\$9,283	\$29,702	\$1,380	\$1,300	\$41,665
2-inch Turbine	5.3	\$12,377	\$39,603	\$1,840	\$1,733	\$55,554
3-inch Turbine	11.7	\$27,075	\$86,632	\$4,025	\$3,792	\$121,524
4-inch Turbine	21.0	\$48,736	\$155,938	\$7,245	\$6,825	\$218,744
6-inch Turbine	46.7	\$108,302	\$346,528	\$16,100	\$15,167	\$486,097
8-inch Turbine	80.0	\$185,660	\$594,049	\$27,600	\$26,000	\$833,309
Dual Plumbed Residential⁹						
1-inch Potable	1.0	\$3,362	\$16,411	\$206	\$194	\$20,173
3/4-inch Recycled	1.0	\$3,115	\$0	N/A	N/A	\$3,115
<i>Total Dual Plumbed</i>	<i>1.0</i>	<i>\$6,477</i>	<i>\$16,411</i>	<i>\$206</i>	<i>\$194</i>	<i>\$23,288</i>

⁹ All future dual plumbed residential customers are expected to have a 1-inch potable meter (i.e., one EDU for SFR) and a 3/4-inch recycled water meter (i.e., one EDU). Dual Plumbed Residential FCCs are therefore only shown for one EDU.

2. INTRODUCTION

2.1 OVERVIEW

DISTRICT OVERVIEW

El Dorado Irrigation District (referred to herein as the District) is a special district that provides potable water, wastewater, and recycled water services to a population of about 130,000 within a 220 square mile service area in El Dorado County ranging from El Dorado Hills eastwards to Pollock Pines. The District also operates satellite water systems in the communities of Strawberry and Outingdale. The District currently serves approximately 43,500 potable water services, 25,200 wastewater services, and 5,700 recycled water services. The District's water and wastewater systems consist of extensive distribution/collection lines, storage facilities, pump stations, and treatment plants. Additionally, the District operates hydroelectric facilities and owns several outdoor recreation sites.

FCC UPDATE STUDY OVERVIEW

New connections to the District's systems, as well as existing customers requiring increased capacity,¹⁰ are subject to Facility Capacity Charges (FCCs). FCCs are one-time upfront fees and are distinct from bi-monthly rates and charges paid by existing customers (which are the District's primary revenue source). FCCs are necessary to ensure that existing users are not unfairly burdened by costs incurred to provide capacity to new users. The underlying principle is that "growth shall pay for growth." FCCs are often referred to by other retail water and wastewater agencies as capacity charges, connection fees, system development charges, etc. The District currently has adopted FCC schedules for six distinct categories of new connections:

1. Potable Water
2. Wastewater
3. Recycled Water
4. Agricultural Metered Irrigation (AMI)¹¹
5. Dual Plumbed Residential¹²
6. Private Fire Service¹³

Public water and wastewater agencies typically conduct capacity charge nexus studies periodically to ensure that charges are fair, reasonable, and consistent with legal requirements. The District last conducted a capacity charge nexus study in 2013. Since 2013, the District has increased its adopted

¹⁰ E.g., a customer replacing an existing water meter with a new larger water meter.

¹¹ Metered potable water connections used for agricultural irrigation purposes that meet the AMI criteria outlined in the District's Administrative Regulation (AR) 9024.

¹² Single family residential customers with both a potable water metered connection for indoor water needs and a recycled water metered connection for outdoor watering needs.

¹³ Dedicated potable water connections for private fire protection purposes such as fire suppression sprinklers, private hydrants, fire standpipes, etc.

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FCCs annually in proportion to changes in the Engineering News-Record's 20-city national average Construction Cost Index (CCI).

The District engaged Water Resources Economics, LLC (WRE) in early 2024 to conduct a new capacity charge nexus study (referred to herein as the 2024 FCC Update Study). The key objective of the 2024 FCC Update Study was to develop updated FCCs that are fair and equitable to both new development and existing users and are in alignment with legal requirements. In order to achieve this objective, WRE reviewed District data, determined the most appropriate FCC methodologies based on industry standards, and calculated proposed FCCs. The purpose of this 2024 FCC Update Study Report is to document WRE's recommendations and provide supporting calculations and information.

2.2 LEGAL REQUIREMENTS

Legal considerations relating to water and wastewater capacity charges in California focus heavily on California Government Code Section 66013(a), which states the following:

Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.

The practical implication is that public water and wastewater agencies in California must demonstrate that capacity charges paid by new users connecting to the system do not exceed the estimated reasonable cost of providing the services for which the charge is imposed and that the charge has a proportional benefit to the user. The primary means by which retail water and wastewater agencies in California address this requirement is by periodically conducting a capacity charge nexus study.

2.3 METHODOLOGY OVERVIEW

The overall purpose of a capacity charge is to equitably recover capital costs incurred by the agency to provide system capacity to new users. Water and wastewater capacity charges in California are typically developed based on one of three common methodologies outlined by the American Water Works Association (AWWA) in its *Manual of Water Supply Practices M1: Principles of Water Rates, Fees and Charges, Seventh Edition*. The primary factor that determines which methodology is most appropriate is whether existing system facilities have sufficient capacity to accommodate new users or if system capacity must be expanded to accommodate growth. The three methodologies outlined by AWWA are described below:

1. **Buy-in Method:** The Buy-in Method establishes capacity charges based on the value of the system's existing capital assets and is typically most appropriate when a system's current capacity is sufficient to serve both short-term and long-term projected demands. The rationale underlying the Buy-in Method is that new customers should pay to "buy-in" to

existing system capacity funded by past and current users. Under the Buy-in Method, a capacity charge functions as a mechanism for new users to gain access to system capacity at a status equal to that of existing customers. Under the Buy-in Method, capital assets are valued based on one of four approaches that vary based on whether cost inflation and depreciation are accounted for (see Table 2-1).

Table 2-1: Capital Asset Valuation Approaches for Buy-in Method

Asset Valuation Approaches	Adjusted for Inflation	Adjusted for Depreciation
Original Cost (OC)	No	No
Original Cost less Depreciation (OCLD)	No	Yes
Replacement Cost (RC)	Yes	No
Replacement Cost less Depreciation (RCLD)	Yes	Yes

In addition to capital assets, the Buy-in system valuation may also account for cash reserves, outstanding debt obligations, and other adjustments. The Buy-in system valuation is then divided by the total number of “units of service” to calculate the capacity charge. There are two main approaches to determining units of service. Under the “Equity Buy-in” approach, units of service are based on the total current “shares” in the system (i.e., total current customer connections). Under the “Capacity Buy-in” approach, units of service are based on total existing system capacity (both used and unused). The basic formula used to calculate capacity charges under the Buy-in Method is as follows:

$$Capacity\ Charge\ (per\ Unit\ of\ Service) = \frac{Capital\ Asset\ Value \pm Adjustments}{Units\ of\ Service}$$

- Incremental Cost Method:** The Incremental Cost Method establishes capacity charges based on the cost of planned capital expenditures required to expand system capacity and is typically most appropriate when a system’s current capacity is already fully utilized by existing users. The rationale underlying the Incremental Cost Method is that new users should fund planned capital projects that are necessary due to growth in the service area. Under the Incremental Cost Method, a capacity charge ensures that existing users are not unfairly burdened with future capital costs incurred to accommodate growth.

Under the Incremental Cost Method, an agency’s Capital Improvement Plan (CIP) projects are evaluated so that capital expenditures attributable to growth can be identified. In addition to CIP project costs, the Incremental Cost basis may also include associated debt financing costs. The Incremental Cost basis is then divided by the number of new units of capacity resulting from system expansion to calculate the capacity charge. The basic formula used to calculate capacity charges under the Incremental Cost Method is as follows:

$$\text{Capacity Charge (per Unit of Capacity)} = \frac{\text{Incremental CIP Costs} + \text{Debt Financing Costs}}{\text{Expanded Units of Capacity}}$$

3. **Hybrid Method:** The Hybrid Method¹⁴ establishes capacity charges based on a combination of the Buy-in Method and the Incremental Cost Method. The Hybrid Method is typically most appropriate when some existing capacity is available to new users, but capacity expansion is still necessary to accommodate long-term demands. The most appropriate manner in which the Buy-in and Incremental Cost components are applied under the Hybrid Method is often determined based on system-specific considerations (e.g., which existing and future facilities will new users utilize and how).

2.4 DISCLAIMERS

- All study projections are based on the best available data as of March 2024.
- All table values are rounded to the nearest digit shown unless stated otherwise. However, all calculations are based on precise values. Attempting to manually recreate the calculations described in this report from the values displayed in tables may therefore produce slightly different results.
- All proposed charges in this report are rounded to the nearest dollar.
- All proposed FCCs presented in this report were developed for a base year of 2024. If the proposed FCCs are adopted, annual CCI adjustments may be applied beginning on January 1, 2025.

¹⁴ The Hybrid Method is referred to by the AWWA as the “Combined Cost Approach.”

3. POTABLE WATER FCC UPDATE

3.1 CURRENT POTABLE WATER FCCS

The District’s current Potable Water FCCs effective January 1, 2024 (see Table 3-1) are directly based on adopted FCCs developed during the 2013 FCC Update Study. Since 2013, Potable Water FCCs have been adjusted annually in proportion to changes in the CCI. Current Potable Water FCCs are differentiated by meter size for all customer classes except for multi-family residential (MFR), which are assessed per dwelling unit. FCCs increase by meter size in proportion to the number of associated equivalent dwelling units (EDUs).¹⁵ The number of EDUs attributed to each meter size is proportional to the safe operating capacity in gallons per minute (gpm) of each meter size/type, as larger meters have higher capacity. However, single family residential (SFR) 1-inch meters are charged the same amount as ¾-inch meters. This is because SFR connections are required to have 1-inch meters for fire protection purposes, even though their demands could otherwise be met by a ¾-inch meter.

Current Potable Water FCCs are based on the Hybrid Method and consist of five distinct components. The “Buy-in for Treatment/Transmission/Storage” component is analogous to a Buy-in charge, as the “Future Capital Projects” component is to an Incremental Cost charge. The “New Water Supply Projects” component is essentially a Hybrid charge specific to the District’s Project 184 storage and conveyance system and Permit 21112 water rights project (which was in progress at the time of the 2013 FCC Update Study). The “Gabbro Soils” and “Line & Cover 3” components are supplemental charges that are designed to recover specific costs allocable to new development and are outside of the scope of this study. Because they are included in the District’s current Potable Water FCC schedule, they are included below.

Table 3-1: Current Potable Water FCCs (effective Jan. 1, 2024)

Meter Size/ Connection Type	EDUs	Buy-in for Treatment/ Transmission/ Storage	New Water Supply Projects	Future Capital Projects	Gabbro Soils	Line & Cover 3	Total Potable Water FCC
3/4-inch	1	\$4,473	\$4,444	\$15,591	\$345	\$325	\$25,178
SFR 1-inch	1	\$4,473	\$4,444	\$15,591	\$345	\$325	\$25,178
1-inch	2	\$8,946	\$8,888	\$31,182	\$690	\$650	\$50,356
1.5-inch	3	\$13,419	\$13,332	\$46,773	\$1,035	\$975	\$75,534
1.5-inch Turbine	4	\$17,892	\$17,776	\$62,364	\$1,380	\$1,300	\$100,712
2-inch	5	\$22,365	\$22,220	\$77,955	\$1,725	\$1,625	\$125,890
3-inch	12	\$53,676	\$53,328	\$187,092	\$4,140	\$3,900	\$302,136
4-inch	21	\$93,933	\$93,324	\$327,411	\$7,245	\$6,825	\$528,738
6-inch	43	\$192,339	\$191,092	\$670,413	\$14,835	\$13,975	\$1,082,654
6-inch Turbine	47	\$210,231	\$208,868	\$732,777	\$16,215	\$15,275	\$1,183,366
MFR Dwelling Unit	0.75	\$3,355	\$3,333	\$11,693	\$259	\$244	\$18,884

¹⁵ One EDU is representative of the water demand from one single family residential detached dwelling.

3.2 PROPOSED POTABLE WATER FCC METHODOLOGY

PROPOSED METHODOLOGY

WRE worked closely with District staff to evaluate and develop the proposed methodology used to calculate Potable Water FCCs in this study. Because new potable water connections are expected to utilize existing potable water system facilities while also requiring substantial capacity expansion to meet long-term demands, the Hybrid Method was selected. Under the Hybrid Method, the proposed Potable Water FCCs include both a “Buy-in component” and an “Incremental Cost component.” The proposed FCCs also retain the existing Gabbro Soils and Line & Cover 3 supplemental charges (see Section 3.5 for details).

NOTABLE CHANGES FROM 2013 FCC UPDATE METHODOLOGY

The proposed Potable Water FCC methodology is mostly consistent with the approach utilized in the 2013 FCC Update Study. However, the following methodological refinements were identified and incorporated into the proposed Potable Water FCC calculations:

1. **MFR FCCs based on meter size:** MFR FCCs are currently assessed per multi-family dwelling unit, with each multi-family dwelling unit set equal to 75% of one EDU. WRE recommends that Potable Water FCCs for new MFR connections be assessed based on meter size rather than the number of dwelling units. This proposed change will treat MFR connections consistently with all other customer classes, will simplify the FCC structure, and will better align the District with industry standards.
2. **Revised Buy-in units of service:** Buy-in units of service in the 2013 FCC Update Study were set equal to total existing plus future EDUs. To more closely align with the “Equity Buy-in” approach, WRE recommends that Buy-in units of service include existing EDUs only. This proposed change is more consistent with industry standards and best practices.
3. **Simplified Buy-in adjustments:** The 2013 FCC Update Study included adjustments to the Buy-in system valuation to account for existing cash reserves, outstanding debt principal, the present value of past debt issuance costs, and credits for past property tax contributions. WRE recommends that adjustments be incorporated for existing cash reserves and outstanding debt principal only. This proposed change will simplify the FCC methodology and better align the District with industry standards.
4. **Elimination of “New Water Supply Projects” Component:** The 2013 FCC Update Study included a separate Potable Water FCC component specific to the District’s new water supply development efforts related to Project 184 and Water Rights Permit 21112. The water rights have now been secured and are an existing component of the District’s total water supply portfolio. Associated capital projects have been completed and additional projects needed to convey this water supply such as the El Dorado Hills Water Treatment Plant expansion are identified in the District’s adopted CIP and 2024 Water and Recycled Water Master Plan. There is no clear benefit or justification to continue to break out Project 184-related capital assets from all other potable water system capital assets. Therefore, WRE recommends

eliminating the New Water Supply Projects Component and simply including Project 184 assets within the Buy-in component. This proposed change will simplify the FCC methodology.

3.3 POTABLE WATER BUY-IN COMPONENT

BUY-IN CALCULATION OVERVIEW

The development of the Buy-in component for the proposed Potable Water FCCs consists of three primary steps:

1. **Determine the Buy-in Cost Basis:** The Buy-in cost basis represents the value of the existing system that the new user is buying into. It is based primarily on the value of potable water system capital assets, but also includes adjustments for cash reserves and outstanding debt principal payments.
2. **Determine the Buy-in Units of Service:** The units of service for the Potable Water FCC Buy-in are based on the number of EDUs currently connected to the potable water system. The number of EDUs is determined by utilizing meter capacity ratios to convert larger meter sizes into $\frac{3}{4}$ -inch meter equivalencies.
3. **Calculate the Buy-in component per EDU:** The total Buy-in cost basis is divided by the total units of service to calculate the Buy-in component on a per EDU basis.

BUY-IN COST BASIS

Capital Asset Value

District staff provided a detailed registry of all District capital assets to WRE for evaluation. The asset registry included information regarding acquisition cost (i.e., original cost), net book value (i.e., original cost less depreciation), and year put in service for each individual capital asset listing. From this information, WRE converted all asset values from net book value into replacement cost less depreciation (RCLD) using the CCI to convert from nominal to real dollars (i.e., to adjust for inflation). RCLD was the selected asset valuation approach utilized in the 2013 FCC Update Study, and WRE recommended retaining the RCLD approach. Because RCLD adjusts asset values to account for inflation and depreciation, it is widely used to develop water and wastewater capacity charges in California and is often considered the most equitable approach.

After establishing asset values based on RCLD, WRE worked with District staff to determine which assets were allocable to Potable Water FCCs (see Table 3-2). All “Water Operations” assets were allocated to Potable Water FCCs, with the exception of transmission and distribution assets (see Table 3-2, Line 12). Transmission and distribution assets include smaller distribution waterlines of six-inch diameter or less that are in-kind contributions by the initial development and generally do not contribute to available system capacity for new connections. It is therefore appropriate to exclude these smaller distribution waterlines from the Potable Water FCC Buy-in cost basis. Because about 60% of potable waterlines (based on length) are larger than 6-inches, the same proportion of transmission and distribution asset value was included in the Buy-in cost basis (see Table 3-3 for

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supporting details). Note that the exclusion of potable waterlines of 6-inches and smaller is consistent with the 2013 FCC Update Study.

All “Hydro Operations” assets were fully allocated to the Potable Water FCC Buy-in cost basis, as they pertain solely to potable water service. Conversely, all “Recycled Water Operations” assets and “Wastewater Operations” assets were excluded as they pertain to recycled and wastewater services, respectively. “General District Operations” assets pertain to administrative and overhead functions that benefit all service types and were therefore proportionally allocated 47.8% to potable water services. “Recreation” assets are indirectly associated with potable water service, as the District is required to provide recreational facilities as a condition of its hydroelectricity permit. However, WRE recommends the exclusion of “Recreation” assets from the Potable Water FCC Buy-in cost basis because “Recreation” assets do provide direct benefits (i.e., capacity) to new potable water customers, nor do they include core system facilities required to provide potable water service.

Table 3-2: Capital Asset Allocation to Potable Water Service

Line	Capital Asset Classification	Capital Asset Value (RCLD)	Allocation to Potable Water FCCs (%)	Allocation to Potable Water FCCs (\$)
1	Water Operations			
2	LAND & EASEMENTS	\$10,856,481	100.0%	\$10,856,481
3	WATER RIGHTS	\$7,878,194	100.0%	\$7,878,194
4	SOURCE OF SUPPLY	\$54,842,440	100.0%	\$54,842,440
5	OFFICE FURNITURE & EQUIPMENT	\$206,923	100.0%	\$206,923
6	OFFICE BUILDINGS & IMPROVEMENTS	\$91,569	100.0%	\$91,569
7	LAND IMPROVEMENTS	\$403,899	100.0%	\$403,899
8	TREATMENT PLANT	\$7,831,401	100.0%	\$7,831,401
9	WATER FACILITIES	\$10,435,139	100.0%	\$10,435,139
10	INFRASTRUCTURE IMPROVEMENTS	\$5,949,974	100.0%	\$5,949,974
11	PUMPING PLANT	\$4,154,294	100.0%	\$4,154,294
12	TRANSMISSION/DISTRIBUTION	\$438,157,531	59.8%	\$261,851,187
13	VEHICLES	\$3,104,587	100.0%	\$3,104,587
14	EQUIPMENT & TOOLS	\$2,972,487	100.0%	\$2,972,487
15	IMPROVEMENTS SHORT LIFE 5 YRS	\$34,651	100.0%	\$34,651
16	IMPROVEMENTS SHORT LIFE 10 YRS	\$1,078,401	100.0%	\$1,078,401
17	Subtotal	\$547,997,971	67.8%	\$371,691,626
18				
19	Hydro Operations			
20	LAND & EASEMENTS	\$3,513,323	100.0%	\$3,513,323
21	DAMS & RESERVOIRS	\$42,626,809	100.0%	\$42,626,809
22	SOURCE OF SUPPLY	\$5,890,245	100.0%	\$5,890,245

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Line	Capital Asset Classification	Capital Asset Value (RCLD)	Allocation to Potable Water FCCs (%)	Allocation to Potable Water FCCs (\$)
23	OFFICE FURNITURE & EQUIPMENT	\$0	100.0%	\$0
24	OFFICE BUILDINGS & IMPROVEMENTS	\$1,357,795	100.0%	\$1,357,795
25	LAND IMPROVEMENTS	\$251,728	100.0%	\$251,728
26	TRANSMISSION/DISTRIBUTION	\$39,183,864	100.0%	\$39,183,864
27	HYDRO PLANT	\$2,581,360	100.0%	\$2,581,360
28	VEHICLES	\$547,900	100.0%	\$547,900
29	EQUIPMENT & TOOLS	\$379,131	100.0%	\$379,131
30	IMPROVEMENTS SHORT LIFE 5 YRS	\$0	100.0%	\$0
31	IMPROVEMENTS SHORT LIFE 10 YRS	\$383,044	100.0%	\$383,044
32	LARGE CONSTRUCTION PROJECT 100 YEARS	\$65,125,556	100.0%	\$65,125,556
33	Subtotal	\$161,840,755	100.0%	\$161,840,755
34				
35	Recycled Water Operations			
36	TREATMENT PLANT	\$3,780,207	0.0%	\$0
37	EQUIPMENT & TOOLS	\$143,366	0.0%	\$0
38	RECLAIMED WATER TRANSMISSION & DISTRIBUTION	\$31,971,909	0.0%	\$0
39	IMPROVEMENTS SHORT LIFE 10 YRS	\$7,016	0.0%	\$0
40	Subtotal	\$35,902,497	0.0%	\$0
41				
42	Wastewater Operations			
43	LAND & EASEMENTS	\$1,592,853	0.0%	\$0
44	DISPOSAL - LEACH FIELDS/SEPTIC	\$1,418,011	0.0%	\$0
45	OFFICE FURNITURE & EQUIPMENT	\$132,830	0.0%	\$0
46	OFFICE BUILDINGS & IMPROVEMENTS	\$3,355,975	0.0%	\$0
47	TREATMENT PLANT	\$57,153,728	0.0%	\$0
48	INFRASTRUCTURE IMPROVEMENTS	\$1,492,658	0.0%	\$0
49	TRANSMISSION/DISTRIBUTION	\$235,183,926	0.0%	\$0
50	COLLECTION SYSTEM-WW	\$59,188,262	0.0%	\$0
51	VEHICLES	\$534,736	0.0%	\$0
52	EQUIPMENT & TOOLS	\$1,896,262	0.0%	\$0
53	IMPROVEMENTS SHORT LIFE 5 YRS	\$0	0.0%	\$0
54	IMPROVEMENTS SHORT LIFE 10 YRS	\$940,788	0.0%	\$0
55	Subtotal	\$362,890,031	0.0%	\$0
56				
57	General District Operations			
58	LAND & EASEMENTS	\$1,179,913	47.8%	\$564,419
59	OFFICE FURNITURE & EQUIPMENT	\$0	47.8%	\$0

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Line	Capital Asset Classification	Capital Asset Value (RCLD)	Allocation to Potable Water FCCs (%)	Allocation to Potable Water FCCs (\$)
60	OFFICE BUILDINGS & IMPROVEMENTS	\$17,750,915	47.8%	\$8,491,259
61	VEHICLES	\$287,413	47.8%	\$137,486
62	EQUIPMENT & TOOLS	\$153,089	47.8%	\$73,231
63	IMPROVEMENTS SHORT LIFE 5 YRS	\$0	47.8%	\$0
64	IMPROVEMENTS SHORT LIFE 10 YRS	\$4,505	47.8%	\$2,155
65	Subtotal	\$19,375,836	47.8%	\$9,268,550
66				
67	Recreation			
68	LAND & EASEMENTS	\$110,376	0.0%	\$0
69	DAMS & RESERVOIRS	\$1,169,202	0.0%	\$0
70	OFFICE FURNITURE & EQUIPMENT	\$0	0.0%	\$0
71	OFFICE BUILDINGS & IMPROVEMENTS	\$2,728,341	0.0%	\$0
72	LAND IMPROVEMENTS	\$44,382	0.0%	\$0
73	TREATMENT PLANT	\$83,668	0.0%	\$0
74	TRANSMISSION/DISTRIBUTION	\$2,497,925	0.0%	\$0
75	VEHICLES	\$30,270	0.0%	\$0
76	EQUIPMENT & TOOLS	\$30,847	0.0%	\$0
77	IMPROVEMENTS SHORT LIFE 5 YRS	\$0	0.0%	\$0
78	IMPROVEMENTS SHORT LIFE 10 YRS	\$19,298	0.0%	\$0
79	Subtotal	\$6,714,309	0.0%	\$0
80				
81	TOTAL	\$1,134,721,399	47.8%	\$542,800,932

Table 3-3: Basis for Potable Water Transmission & Distribution Asset Exclusions

Description	Length (feet)	Length (%)
Potable Water Lines (6-inch diameter or smaller)	2,461,046	40.2%
Potable Water Lines (larger than 6-inch diameter)	3,655,160	59.8%
Total	6,116,206	100.0%

Cash Reserves

Current cash reserves held by the District were built up primarily through rates and charges collected from past and current users. Therefore, it is appropriate to include the value of cash reserves when quantifying the existing value of the potable water system. District staff provided WRE with the District’s cash reserve levels as of January 1, 2024 (see Table 3-4). “Water Direct” cash reserves pertain specifically to potable water operations and were therefore fully allocated to the Potable Water FCC Buy-in cost basis.

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Outstanding Debt Principal

A portion of the District’s existing capital assets were financed by debt that is not fully paid off. The associated outstanding debt principal payments represent a long-term liability that new users will contribute towards in the form of bi-monthly rates and charges. It is therefore necessary to reduce the Buy-in cost basis by an amount equal to outstanding debt principal payments. District staff provided WRE with the District’s outstanding debt principal as of January 1, 2024 (see Table 3-5). All allocations to the Potable Water FCC Buy-in cost basis are consistent with the District’s existing debt service allocations to potable water service.

Table 3-4: Cash Reserves Allocation to Potable Water Service

Cash Reserves	Cash Reserves (as of Jan. 1, 2024)	Allocation to Potable Water FCCs (%)	Allocation to Potable Water FCCs (\$)
Water Direct			
Operating Reserves	\$10,501,829	100.0%	\$10,501,829
Capital Replacement	\$11,854,847	100.0%	\$11,854,847
Routine Capital Replacement	\$2,169,971	100.0%	\$2,169,971
Self Insurance	\$600,000	100.0%	\$600,000
Subtotal	\$25,126,646	100.0%	\$25,126,646
Wastewater Direct			
Operating Reserves	\$5,773,051	0.0%	\$0
Capital Replacement	\$9,225,224	0.0%	\$0
Routine Capital Replacement	\$1,250,152	0.0%	\$0
Self Insurance	\$400,000	0.0%	\$0
Subtotal	\$16,648,427	0.0%	\$0
Total	\$41,775,073	60.1%	\$25,126,646

Table 3-5: Outstanding Debt Principal Allocation to Potable Water Service

Debt Issuance	Outstanding Debt Principal (as of Jan. 1, 2024)	Allocation to Potable Water FCCs (%)	Allocation to Potable Water FCCs (\$)
Refunding Revenue Bonds, Series 2014A	\$4,990,000	55.2%	\$2,752,484
Refunding Revenue Bonds, Series 2016A	\$3,825,000	67.6%	\$2,585,700
Revenue Certificates of Participation, Series 2016B	\$36,765,000	100.0%	\$36,765,000
Refunding Revenue Bonds, Series 2016C	\$25,240,000	61.0%	\$15,383,780
Revenue Certificates of Participation, Series 2020A	\$61,080,000	100.0%	\$61,080,000
Refunding Revenue Bonds, Series 2020B	\$3,430,000	100.0%	\$3,430,000
Refunding Revenue Bonds, Series 2020C	\$111,670,000	67.6%	\$75,488,920
Refunding Revenue Bonds, Series 2020D	\$76,825,000	60.6%	\$46,525,220
Refunding Revenue Bonds, Series 2022A	\$67,390,000	67.6%	\$45,555,640
Total	\$391,215,000	74.0%	\$289,566,744

BUY-IN UNITS OF SERVICE

Buy-in units of service are based on the number of current EDUs connected to the District’s potable water system. District staff provided the existing number of potable water connections by meter size and customer class as of 2024 (see Table 3-6). WRE calculated the number of EDUs by multiplying the number of meters at each meter size/type by the associated meter capacity ratio. Meter capacity ratios represent the safe operating capacity of each meter size/type relative to a ¾-inch meter, as larger meters have capacities. The meter capacity ratios utilized were consistent with the District’s 2023 Cost of Service Study (used to establish currently adopted bi-monthly rates and charges) and are based on AWWA-rated safe operating capacities in gpm by meter size and type.

Table 3-6: Existing Potable Water EDUs

Meter Size/ Type	Safe Operating Capacity (gpm)	Meter Capacity Ratio	Existing Number of Meters	Existing Number of EDUs
5/8-inch ¹⁶	20	1.0	3,040	3,040
3/4-inch	30	1.0	29,475	29,475
SFR 1-inch ¹⁷	50	1.0	3,580	3,580
1-inch	50	1.7	639	1,065
1.5-inch	100	3.3	404	1,347
1.5-inch Turbine	120	4.0	109	436
2-inch	160	5.3	232	1,237
2-inch Turbine	160	5.3	332	1,771
3-inch	320	10.7	17	181
3-inch Turbine	350	11.7	57	665
4-inch	500	16.7	9	150
4-inch Turbine	630	21.0	53	1,113
6-inch	1,000	33.3	10	333
6-inch Turbine	1,400	46.7	18	840
8-inch Turbine	2,400	80.0	4	320
10-inch Turbine	3,800	126.7	1	127
12-inch Turbine	5,000	166.7	0	0
14-inch Turbine	6,000	200.0	1	200
3/4-inch (Dual Plumbed) ¹⁸	30	0.6	5,047	3,057
1-inch (Dual Plumbed) ¹⁹	50	1.0	458	462
Total			43,486	49,400

BUY-IN COMPONENT CALCULATION

The Potable Water Buy-in component per EDU (see Table 3-7) was calculated by dividing the individual components of the cost basis (per Table 3-2, Table 3-4, and Table 3-5) by the existing number of EDUS (per Table 3-6).

¹⁶ The meter capacity ratio for 5/8-inch meters is set equal to 3/4-inch ratio, as all 5/8-inch meters will eventually be replaced by 3/4-inch or SFR 1-inch meters.

¹⁷ SFR connections are required to have 1-inch meters for fire protection purposes, even though their demands could otherwise be met by a 3/4-inch meter. Therefore, they are charged at an amount equal to 3/4-inch meters.

¹⁸ Dual plumbed customers use approximately 60% of potable water as single plumbed potable customers, as dual plumbed outdoor water demand is met by recycled water. Therefore, dual plumbed potable meter capacity ratios are adjusted accordingly by multiplying by a 60% potable water demand factor.

¹⁹ See above footnote.

Table 3-7: Potable Water Buy-in Calculation

Buy-In Component	Cost Basis	Existing EDUs	Buy-in (per EDU)
Capital Asset Value (RCLD)	\$542,800,932	49,400	\$10,988
Cash Reserves	\$25,126,646	49,400	\$509
Less Outstanding Debt Principal	(\$289,566,744)	49,400	(\$5,862)
Total	\$278,360,834		\$5,635

3.4 POTABLE WATER COST INCREMENTAL COMPONENT

INCREMENTAL COST CALCULATION OVERVIEW

The development of the Incremental Cost component for the proposed Potable Water FCC consists of three primary steps:

1. **Determine the Incremental Cost Basis:** The Incremental cost basis reflects future capital spending required to expand system capacity to accommodate new users. It is based on the projected cost of growth-related CIP projects and any associated debt financing costs.
2. **Determine the Incremental Cost Units of Service:** The units of service for the Potable Water FCC Incremental Cost component are based on number of EDUs accommodated by expanded system capacity.
3. **Calculate the Incremental Cost component per EDU:** The total Incremental cost basis is divided by the total units of service to calculate the Incremental Cost component on a per EDU basis.

INCREMENTAL COST BASIS

CIP Project Costs

District staff identified select CIP projects from the 2024 Water and Recycled Water Master Plan to include in the Incremental cost basis. District staff only selected CIP projects that are needed to accommodate new users and that can reasonably be constructed within the next ten years (see Table 3-8). The projects include the planned El Dorado Hills Water Treatment Plant (EDHWTP) expansion, Oak Ridge Pump Station, Francisco Drive Water Main, and the anticipated first segment of a gravity transmission pipeline (Res C to Res 7) that is needed to improve current transmission bottlenecks. Selected CIP projects that solely benefit future growth were fully allocated to Potable Water FCCs. Most EDHWTP projects were allocated to Potable Water FCCs based on the proportion of expanded plant capacity available to accommodate new users.²⁰ Additionally, District staff estimated that one-half of Project PW-P-02 (see Table 3-8, Line 25) is attributable to future users.

²⁰ EDHWTP new capacity (4.5 MGD) ÷ total capacity (24 MGD) = 18.8%

Table 3-8: Selected Potable Water Incremental CIP Projects

Line	Project	2024 Water Master Plan Project Cost	Allocation to Potable Water FCCs (%)	Allocation to Potable Water FCCs (\$)
1	EDHWTP Priority 1 Projects			
2	EDH-1 - Washwater Phase 1	\$7,100,000	18.8%	\$1,331,250
3	EDH-2 - Generator and Electrical Service Relocation	\$3,100,000	18.8%	\$581,250
4	EDH-3 - Plate Settler Relocation	\$2,700,000	18.8%	\$506,250
5	EDH-4 - Site Demo and Preparation	\$2,900,000	18.8%	\$543,750
6	EDH-7 - Flash Mix and Raw Water Pipe Re-Route	\$1,600,000	18.8%	\$300,000
7	EDH-8 - Pretreatment Trains 1-2	\$24,800,000	18.8%	\$4,650,000
8	EDH-9 - Filters 1-5	\$29,300,000	18.8%	\$5,493,750
9	EDH-12 - Convert Raw Water Head Tank into Backwash Supply Tank	\$2,300,000	18.8%	\$431,250
10	EDH-13 - Polyphosphate Storage Improvements	\$200,000	18.8%	\$37,500
11	EDH-19 - High Lift Pump Station Expansion - Phase 1	\$9,800,000	100.0%	\$9,800,000
12	EDH-20 - Clearwell Expansion for 24 mgd	\$4,700,000	100.0%	\$4,700,000
13	Subtotal	\$88,500,000		\$28,375,000
14				
15	EDHWTP Priority 2 Projects			
16	EDH-5 - Washwater Phase 2	\$4,100,000	18.8%	\$768,750
17	EDH-6 - Caustic Storage Facility	\$2,700,000	18.8%	\$506,250
18	EDH-14 - Central Chemical Facility	\$5,600,000	18.8%	\$1,050,000
19	EDH-15 - PAC Storage and Feed Facility	\$3,000,000	18.8%	\$562,500
20	Subtotal	\$15,400,000		\$2,887,500
21				
22	Other Selected Water Master Plan Projects			
23	PW-P-01: Water main upsize between EDH WTP High Lift PS and Oak Ridge Tanks	\$32,632,000	100.0%	\$32,632,000
24	PW-PS-01: Oak Ridge Pump Station No. 2	\$8,673,000	100.0%	\$8,673,000
25	PW-P-02: Water main upsize along existing POM from Res C to Res 7	\$101,682,000	50.0%	\$50,841,000
26	Subtotal	\$142,987,000		\$92,146,000
27				
28	Total	\$246,887,000		\$123,408,500

Debt Financing Costs

The District expects to issue new debt to finance the construction of EDHWTP Priority 1 capital projects within the next five years. WRE added estimated debt financing costs to the Incremental cost basis to ensure that current potable water users are not unfairly burdened by new debt obligations associated with projects that benefit growth. The estimated debt financing costs assume that all EDHWTP Priority 1 project costs attributable to Potable Water FCCs will be debt funded. Based on

new debt assumptions consistent with the 2023 Cost of Service Study, WRE estimated total interest payments attributable to the Incremental cost basis (see Table 3-9).

Table 3-9: Potable Water Incremental CIP Debt Financing Assumptions

Description	Value
Debt Financed Project Costs ²¹	\$28,375,000
Term	30 years
Interest Rate	6.50%
Issuance Costs (% of Issuance)	\$0
Total Estimated Financing Costs²²	\$37,562,804

INCREMENTAL UNITS OF SERVICE

The Incremental units of service represent future capacity resulting from potable water system expansion. WRE calculated the units of service for the selected incremental CIP projects based on assumed capacity expansions (per the 2024 Water and Recycled Water Master Plan), water demand factors, peaking factors, and service area growth rates (see Table 3-10). For incremental CIP projects associated with EDHWTP expansion, the units of service reflect future EDUs accommodated by the 4.5 MGD plant expansion. Future EDUs were similarly estimated for Oak Ridge Pump Station No. 2 based on the planned capacity of the pump station. For all other incremental CIP, future EDUs were projected by estimating new EDUs connecting to the potable water system through 2045 based on an assumed annual growth rate of 0.62% (consistent with El Dorado County’s recent Traffic Impact Fee Study).

²¹ Equal to EDHWTP Priority 1 CIP allocated to Potable Water FCC (per Table 3-8).

²² Interest only; estimated based on level principal plus interest payments over 30 years.

Table 3-10: Future Potable Water EDUs Served

Line	Description	Value
1	EDHWTP - Future EDUs Served	
2	Existing EDHWTP Capacity (mgd)	19.5
3	Future EDHWTP Capacity (mgd)	24.0
4	Expanded EDHWTP Capacity (mgd) ²³	4.5
5	Single Family Residential Average Unit Demand (AFY) ²⁴	0.44
6	Maximum Day Peaking Factor ²⁵	2.00
7	Future EDUs Served ²⁶	5,728
8		
9	Oak Ridge Pump Station No. 2 - Future EDUs Served	
10	Oak Ridge Pump Station No. 2 Capacity (gpm)	2,000
11	Single Family Residential Average Unit Demand (AFY)	0.44
12	Maximum Day Peaking Factor	2.00
13	Future EDUs Served ²⁷	3,666
14		
15	All Other Incremental CIP - Future EDUs Served	
16	Existing Potable Water Equivalent Meter Units	49,400
17	Annual Growth Rate ²⁸	0.62%
18	Cumulative Growth Rate from 2024-2045	13.86%
19	Future EDUs Served ²⁹	6,847

INCREMENTAL COST COMPONENT CALCULATION

The Potable Water Incremental Cost component per EDU (see Table 3-11) was calculated by dividing the individual components of the Incremental cost basis (per Table 3-8 and Table 3-9) by the number of future EDUS served (per Table 3-10).

²³ =[Line 3] – [Line 2]

²⁴ SFR demand for future customers in the El Dorado Hills service area per the District’s 2020 Urban Water Management Plan (UWMP Table 4-10).

²⁵ Systemwide Maximum Day Peaking factor per the District’s Draft 2024 Water and Recycled Water Master Plan (WMP Table 3.13).

²⁶ =[Line 4] ÷ [(Line 5) × (Line 6) × (0.00089 mgd per AFY conversion factor)]

²⁷ =[Line 10] ÷ [(Line 11) × (Line 12) × (0.61996 gpm per AFY conversion factor)]

²⁸ Residential growth rate per most recent El Dorado County Traffic Impact Fee Study.

²⁹ =[Line 16] × [Line 18]

Table 3-11: Potable Water Incremental Cost Calculation

Incremental Cost Component	Cost Basis	Future EDUs Served	Incremental Cost (per EDU)
EDHWTP Priority 1 Project Costs (including Financing Costs)	\$65,937,804	5,728	\$11,511
EDHWTP Priority 2 Project Costs	\$2,887,500	5,728	\$504
PW-P-01: Water main upsize between EDH WTP High Lift PS and Oak Ridge Tanks	\$32,632,000	5,728	\$5,697
PW-PS-01: Oak Ridge Pump Station No. 2	\$8,673,000	3,666	\$2,366
PW-P-02: Water main upsize along existing POM from Res C to Res 7	\$50,841,000	6,847	\$7,426
Total	\$160,971,304		\$27,504

3.5 POTABLE WATER SUPPLEMENTAL CHARGES

The District currently recovers two supplemental charges as part of the currently adopted Potable Water FCC schedule (see Table 3-12). Each supplemental charge is designed to recover specific District costs attributable to new potable water connections. No changes to the existing supplemental charges were recommended as part of this 2024 FCC Update Study. All proposed Potable Water FCCs presented in this report include the two existing supplemental charges, as the District plans to continue to collect these charges as part of the Potable Water FCCs.

GABBRO SOILS SUPPLEMENTAL CHARGE

The District implemented the Gabbro Soils supplemental charge in 2001 to satisfy the conditions of Water Right Permit 21112, which allows the District to divert water out of Folsom Reservoir. In order to exercise Water Right Permit 21112, the District was required to preserve habitat in western El Dorado County that may be potentially impacted by expansion of the District’s water services. Revenues generated by the Gabbro Soils supplemental charge fund the protection and management of eight rare and endangered plants that grow in gabbro soil environments in the District’s service area, including at Pine Hill Preserve. The Gabbro Soils supplemental charge will remain in effect until the full amount of water available under Permit 21112 has been allocated through the sale of water meters.

LINE & COVER 3 SUPPLEMENTAL CHARGE

The District implemented the Line & Cover 3 supplemental charge in 2008 to recover future users’ fair share of debt service payments associated with the District’s Line and Cover Reservoir Program. The Line & Cover 3 supplemental charge will expire on April 1, 2028.

Table 3-12: Potable Water Supplemental Charges

Supplemental Charges	Current Charge (per EDU)
Gabbro Soils	\$345
Line & Cover 3	\$325

3.6 PROPOSED POTABLE WATER FCCS

PROPOSED POTABLE WATER FCC CALCULATION

The proposed Potable Water FCC per EDU (see Table 3-13) was calculated by summing the Buy-in component (per Table 3-7), Incremental Cost component (per Table 3-11), and two supplemental charges (per Table 3-12). The proposed Potable Water FCCs were developed using 2024 as a base year. Therefore, the District may apply annual CCI adjustments to the proposed FCCs beginning January 1, 2025, and each year thereafter.

The proposed Potable Water FCC per EDU is about \$8,600 higher than the current FCC (see Table 3-14). The primary reason for the increase is the substantial amount of growth-related CIP identified in the 2024 Water and Recycled Water Master Plan. Even after limiting incremental CIP costs to critical CIP projects needed within the next ten years, the Incremental Cost component has increased significantly relative to the 2013 FCC Update Study. The proposed increases are necessary however to ensure that current potable water users are not unfairly burdened with near-term growth-related capital costs.

Table 3-13: Proposed Potable Water FCC Calculation (per EDU)

FCC Component	Proposed FCC (per EDU)
Buy-In	\$5,635
Incremental Cost	\$27,504
Gabbro Soils Supplemental Charge	\$345
Line & Cover 3 Supplemental Charge	\$325
Total	\$33,809

Table 3-14: Comparison of Current and Proposed Potable Water FCCs (per EDU)

Comparison to Current Potable Water FCCs	
Proposed FCC (per EDU)	\$33,809
Current FCC (per EDU)	\$25,178
<i>Difference (\$)</i>	<i>\$8,631</i>

PROPOSED POTABLE WATER FCC CALCULATION BY METER SIZE/TYPE

Proposed Potable Water FCCs by meter size and type (see Table 3-15) were calculated by multiplying each FCC component per EDU (per Table 3-13) by the associated EDU equivalency (per Table 3-6). The EDU equivalency represents the AWWA-rated capacity of each meter size/type relative to a ¾-inch meter. This approach ensures that new potable water customers are appropriately charged in proportion to the capacity of their water meter. Note that the proposed EDU equivalencies for 1-inch and 6-inch Turbine meters are different from the current FCC schedule, as they are based on precise rather than rounded AWWA-rated meter capacity ratios.³⁰

Proposed FCCs were only developed for meter sizes and types that District staff will install in the future, which may differ from the size and type of some existing meters. For example, the District only plans to install Turbine type meters for connections of 1.5-inch or larger moving forward. Because the existing Potable Water FCC schedule includes FCCs for non-Turbine type meters only for certain meter sizes, a direct comparison of proposed versus current FCCs is not available for all meter sizes and types (see Table 3-16).

Table 3-15: Proposed Potable Water FCCs

Meter Size/Type	EDU Equivalency	Buy-In	Incremental Cost	Gabbro Soils	Line & Cover 3	Proposed FCC
3/4-inch	1.0	\$5,635	\$27,504	\$345	\$325	\$33,809
SFR 1-inch	1.0	\$5,635	\$27,504	\$345	\$325	\$33,809
1-inch	1.7	\$9,391	\$45,840	\$575	\$542	\$56,348
1.5-inch Turbine	4.0	\$22,540	\$110,016	\$1,380	\$1,300	\$135,235
2-inch Turbine	5.3	\$30,053	\$146,688	\$1,840	\$1,733	\$180,314
3-inch Turbine	11.7	\$65,740	\$320,879	\$4,025	\$3,792	\$394,436
4-inch Turbine	21.0	\$118,332	\$577,583	\$7,245	\$6,825	\$709,985
6-inch Turbine	46.7	\$262,961	\$1,283,517	\$16,100	\$15,167	\$1,577,745
8-inch Turbine	80.0	\$450,790	\$2,200,315	\$27,600	\$26,000	\$2,704,706

Table 3-16: Comparison of Current and Proposed Potable Water FCCs

Meter Size/Type	Proposed FCC	Current FCC	Difference (\$)
3/4-inch	\$33,809	\$25,178	\$8,631
SFR 1-inch	\$33,809	\$25,178	\$8,631
1-inch	\$56,348	\$50,356	\$5,992
1.5-inch Turbine	\$135,235	\$100,712	\$34,523
2-inch Turbine	\$180,314	N/A	N/A
3-inch Turbine	\$394,436	N/A	N/A
4-inch Turbine	\$709,985	N/A	N/A
6-inch Turbine	\$1,577,745	\$1,183,366	\$394,379
8-inch Turbine	\$2,704,706	N/A	N/A

³⁰ The proposed EDU equivalency is 1.7 rather than 2 for 1-inch meters and 46.7 rather than 47 for 6-inch Turbine meters.

4. WASTEWATER FCC UPDATE

4.1 CURRENT WASTEWATER FCCS

The District’s current Wastewater FCCs effective January 1, 2024 (see Table 4-1) are directly based on adopted FCCs developed during the 2013 FCC Update Study. Since 2013, Wastewater FCCs have been adjusted annually in proportion to changes in the CCI. Current Wastewater FCCs are differentiated by water meter size based on meter capacity ratios for all customer classes except for MFR, which are assessed per dwelling unit. This is consistent with how current Potable Water FCCs are assessed. Current Wastewater FCCs are based on the Hybrid Method and consist of two components. The “Buy-in for Collection/Pumping/Treatment” component is analogous to a Buy-in charge, as the “Future Capital Projects” component is to an Incremental Cost charge. The total Wastewater FCC equals the sum of the two components.

Table 4-1: Current Wastewater FCCs (effective Jan. 1, 2024)

Meter Size/Connection Type	EDUs	Buy-in for Collection/Pumping/Treatment	Future Capital Projects	Total Wastewater FCC
3/4-inch	1	\$8,393	\$9,541	\$17,934
1-inch	2	\$16,786	\$19,082	\$35,868
1.5-inch	3	\$25,179	\$28,623	\$53,802
1.5-inch Turbine	4	\$33,572	\$38,164	\$71,736
2-inch	5	\$41,965	\$47,705	\$89,670
3-inch	12	\$100,716	\$114,492	\$215,208
4-inch	21	\$176,253	\$200,361	\$376,614
6-inch	43	\$360,899	\$410,263	\$771,162
6-inch Turbine	47	\$394,471	\$448,427	\$842,898
MFR Dwelling Unit	0.75	\$6,295	\$7,156	\$13,451

4.2 PROPOSED WASTEWATER FCC METHODOLOGY

PROPOSED METHODOLOGY

WRE worked closely with District staff to evaluate and develop the proposed methodology used to calculate Wastewater FCCs in this study. Similar to the potable system, new wastewater connections are expected to utilize existing system facilities while also requiring substantial capacity expansion to meet long-term demands. Therefore, the Hybrid Method was retained from 2013 FCC Update Study. Under the selected Hybrid Method, the proposed Wastewater FCCs include both a “Buy-in component” and an “Incremental Cost component.” Overall, the proposed methodology used to develop proposed Wastewater FCCs is closely consistent with the proposed Potable Water FCC methodology outlined in Section 3.

NOTABLE CHANGES FROM 2013 FCC UPDATE METHODOLOGY

The proposed Wastewater FCC methodology is mostly consistent with the approach utilized in the 2013 FCC Update Study. However, the following methodological refinements were identified and incorporated into the proposed Wastewater FCC calculations. Note that all three notable refinements to the Wastewater FCC methodology are consistent with proposed changes to the Potable Water FCC methodology.

1. **MFR FCCs based on meter size:** MFR FCCs are currently assessed per multi-family dwelling unit, with each multi-family dwelling unit set equal to 75% of one EDU. WRE recommends that Wastewater FCCs for new MFR connections be assessed based on meter size rather than the number of dwelling units. This proposed change will treat MFR connections consistently with all other customer classes, will simplify the FCC structure, and will better align the District with industry standards.
2. **Revised Buy-in units of service:** Buy-in units of service in the 2013 FCC Update Study were set equal to total existing plus future EDUs. To more closely align with the “Equity Buy-in” approach, WRE recommends that Buy-in units of service include existing EDUs only. This proposed change is more consistent with industry standards and best practices.
3. **Simplified Buy-in adjustments:** The 2013 FCC Update Study included adjustments to the Buy-in system valuation to account for existing cash reserves, outstanding debt principal, the present value of past debt issuance costs, and credits for past property tax contributions. WRE recommends that adjustments be incorporated for existing cash reserves and outstanding debt principal only. This proposed change will simplify the FCC methodology and better align the District with industry standards.

4.3 WASTEWATER BUY-IN COMPONENT

BUY-IN CALCULATION OVERVIEW

The development of the Buy-in component for the proposed Wastewater FCCs consists of three primary steps:

1. **Determine the Buy-in Cost Basis:** The Buy-in cost basis represents the value of the existing system that the new user is buying into. It is based primarily on the value of wastewater system capital assets, but also includes adjustments for cash reserves and outstanding debt principal payments.
2. **Determine the Buy-in Units of Service:** The units of service for the Wastewater FCC Buy-in are based on the number of EDUs currently connected to the wastewater system. The number of EDUs is determined by utilizing meter capacity ratios to convert larger water meter sizes into $\frac{3}{4}$ -inch meter equivalencies.
3. **Calculate the Buy-in component per EDU:** The total Buy-in cost basis is divided by the total units of service to calculate the Buy-in component on a per EDU basis.

BUY-IN COST BASIS

Capital Asset Value

The same asset valuation approach (RCLD) that was used to quantify potable water capital assets was applied to develop the Wastewater FCC Buy-in cost basis (refer to Section 3.3 for details). WRE worked with District staff to determine which District assets were allocable to Wastewater FCCs (see Table 4-2). All “Water Operations” assets, “Hydro Operations” assets, and “Recycled Water Operations” assets were excluded, as they pertain solely to either potable or recycled water services. All “Wastewater Operations” assets were fully allocated to the Wastewater FCC Buy-in cost basis, with the exception of collection system assets (see Table 4-2, Line 50). Wastewater collection system assets are comprised of smaller sewer collection lines that are in-kind contributions by the initial development and do not contribute to available system capacity for new connections. All collection system assets are therefore excluded, which is consistent with the 2013 FCC Update Study. “General District Operations” assets pertain to administrative and overhead functions that benefit all service types and were therefore proportionally allocated 27.2% to wastewater services. Lastly, “Recreation” assets were excluded as they do not provide specific benefits to wastewater services.

Table 4-2: Capital Asset Allocation to Wastewater Service

Line	Capital Asset Classification	Capital Asset Value (RCLD)	Allocation to Wastewater FCCs (%)	Allocation to Wastewater FCCs (\$)
1	Water Operations			
2	LAND & EASEMENTS	\$10,856,481	0.0%	\$0
3	WATER RIGHTS	\$7,878,194	0.0%	\$0
4	SOURCE OF SUPPLY	\$54,842,440	0.0%	\$0
5	OFFICE FURNITURE & EQUIPMENT	\$206,923	0.0%	\$0
6	OFFICE BUILDINGS & IMPROVEMENTS	\$91,569	0.0%	\$0
7	LAND IMPROVEMENTS	\$403,899	0.0%	\$0
8	TREATMENT PLANT	\$7,831,401	0.0%	\$0
9	WATER FACILITIES	\$10,435,139	0.0%	\$0
10	INFRASTRUCTURE IMPROVEMENTS	\$5,949,974	0.0%	\$0
11	PUMPING PLANT	\$4,154,294	0.0%	\$0
12	TRANSMISSION/DISTRIBUTION	\$438,157,531	0.0%	\$0
13	VEHICLES	\$3,104,587	0.0%	\$0
14	EQUIPMENT & TOOLS	\$2,972,487	0.0%	\$0
15	IMPROVEMENTS SHORT LIFE 5 YRS	\$34,651	0.0%	\$0
16	IMPROVEMENTS SHORT LIFE 10 YRS	\$1,078,401	0.0%	\$0
17	Subtotal	\$547,997,971	0.0%	\$0
18				
19	Hydro Operations			
20	LAND & EASEMENTS	\$3,513,323	0.0%	\$0
21	DAMS & RESERVOIRS	\$42,626,809	0.0%	\$0

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Line	Capital Asset Classification	Capital Asset Value (RCLD)	Allocation to Wastewater FCCs (%)	Allocation to Wastewater FCCs (\$)
22	SOURCE OF SUPPLY	\$5,890,245	0.0%	\$0
23	OFFICE FURNITURE & EQUIPMENT	\$0	0.0%	\$0
24	OFFICE BUILDINGS & IMPROVEMENTS	\$1,357,795	0.0%	\$0
25	LAND IMPROVEMENTS	\$251,728	0.0%	\$0
26	TRANSMISSION/DISTRIBUTION	\$39,183,864	0.0%	\$0
27	HYDRO PLANT	\$2,581,360	0.0%	\$0
28	VEHICLES	\$547,900	0.0%	\$0
29	EQUIPMENT & TOOLS	\$379,131	0.0%	\$0
30	IMPROVEMENTS SHORT LIFE 5 YRS	\$0	0.0%	\$0
31	IMPROVEMENTS SHORT LIFE 10 YRS	\$383,044	0.0%	\$0
32	LARGE CONSTRUCTION PROJECT 100 YEARS	\$65,125,556	0.0%	\$0
33	Subtotal	\$161,840,755	0.0%	\$0
34				
35	Recycled Water Operations			
36	TREATMENT PLANT	\$3,780,207	0.0%	\$0
37	EQUIPMENT & TOOLS	\$143,366	0.0%	\$0
38	RECLAIMED WATER TRANSMISSION & DISTRIBUTION	\$31,971,909	0.0%	\$0
39	IMPROVEMENTS SHORT LIFE 10 YRS	\$7,016	0.0%	\$0
40	Subtotal	\$35,902,497	0.0%	\$0
41				
42	Wastewater Operations			
43	LAND & EASEMENTS	\$1,592,853	100.0%	\$1,592,853
44	DISPOSAL - LEACH FIELDS/SEPTIC	\$1,418,011	100.0%	\$1,418,011
45	OFFICE FURNITURE & EQUIPMENT	\$132,830	100.0%	\$132,830
46	OFFICE BUILDINGS & IMPROVEMENTS	\$3,355,975	100.0%	\$3,355,975
47	TREATMENT PLANT	\$57,153,728	100.0%	\$57,153,728
48	INFRASTRUCTURE IMPROVEMENTS	\$1,492,658	100.0%	\$1,492,658
49	TRANSMISSION/DISTRIBUTION	\$235,183,926	100.0%	\$235,183,926
50	COLLECTION SYSTEM-WW	\$59,188,262	0.0%	\$0
51	VEHICLES	\$534,736	100.0%	\$534,736
52	EQUIPMENT & TOOLS	\$1,896,262	100.0%	\$1,896,262
53	IMPROVEMENTS SHORT LIFE 5 YRS	\$0	100.0%	\$0
54	IMPROVEMENTS SHORT LIFE 10 YRS	\$940,788	100.0%	\$940,788
55	Subtotal	\$362,890,031	83.7%	\$303,701,768
56				
57	General District Operations			
58	LAND & EASEMENTS	\$1,179,913	27.2%	\$321,283

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Line	Capital Asset Classification	Capital Asset Value (RCLD)	Allocation to Wastewater FCCs (%)	Allocation to Wastewater FCCs (\$)
59	OFFICE FURNITURE & EQUIPMENT	\$0	27.2%	\$0
60	OFFICE BUILDINGS & IMPROVEMENTS	\$17,750,915	27.2%	\$4,833,466
61	VEHICLES	\$287,413	27.2%	\$78,261
62	EQUIPMENT & TOOLS	\$153,089	27.2%	\$41,685
63	IMPROVEMENTS SHORT LIFE 5 YRS	\$0	27.2%	\$0
64	IMPROVEMENTS SHORT LIFE 10 YRS	\$4,505	27.2%	\$1,227
65	Subtotal	\$19,375,836	27.2%	\$5,275,922
66				
67	Recreation			
68	LAND & EASEMENTS	\$110,376	0.0%	\$0
69	DAMS & RESERVOIRS	\$1,169,202	0.0%	\$0
70	OFFICE FURNITURE & EQUIPMENT	\$0	0.0%	\$0
71	OFFICE BUILDINGS & IMPROVEMENTS	\$2,728,341	0.0%	\$0
72	LAND IMPROVEMENTS	\$44,382	0.0%	\$0
73	TREATMENT PLANT	\$83,668	0.0%	\$0
74	TRANSMISSION/DISTRIBUTION	\$2,497,925	0.0%	\$0
75	VEHICLES	\$30,270	0.0%	\$0
76	EQUIPMENT & TOOLS	\$30,847	0.0%	\$0
77	IMPROVEMENTS SHORT LIFE 5 YRS	\$0	0.0%	\$0
78	IMPROVEMENTS SHORT LIFE 10 YRS	\$19,298	0.0%	\$0
79	Subtotal	\$6,714,309	0.0%	\$0
80				
81	TOTAL	\$1,134,721,399	27.2%	\$308,977,690

Cash Reserves

Current cash reserves held by the District were built up in part through rates and charges collected from past and current wastewater users. Therefore, it is appropriate to include the value of cash reserves when quantifying the existing value of the wastewater system. District staff provided WRE with the District’s cash reserve levels as of January 1, 2024 (see Table 4-3). “Water Direct” cash reserves pertain to potable water services only and were therefore excluded. “Wastewater Direct” cash reserves pertain to both wastewater and recycled water operations and were therefore allocated between the Wastewater FCC Buy-in cost basis and Recycled Water FCC Buy-in cost basis in proportion to capital asset values attributed to each service.³¹

³¹ Capital assets attributable to Wastewater FCCs (\$309.0 million per Table 4-2) comprise 94.3% of capital assets attributable to either Wastewater FCCs or Recycled Water FCCs (\$327.7 million per Table 4-2 and Table 5-2). Therefore, 94.3% of “Wastewater Direct” reserves were allocated to Wastewater FCCs.

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Outstanding Debt Principal

A portion of the District’s existing wastewater capital assets were financed by debt that is not fully paid off. The associated outstanding debt principal payments represent a long-term liability that new wastewater users will contribute towards in the form of bi-monthly rates and charges. It is therefore necessary to reduce the Buy-in cost basis by an amount equal to outstanding debt principal payments. District staff provided WRE with the District’s outstanding debt principal as of January 1, 2024 (see Table 4-4). All allocations to the Wastewater FCC Buy-in cost basis are consistent with the District’s existing debt service allocations to wastewater service.

Table 4-3: Cash Reserves Allocation to Wastewater Service

Cash Reserves	Cash Reserves (as of Jan. 1, 2024)	Allocation to Wastewater FCCs (%)	Allocation to Wastewater FCCs (\$)
Water Direct			
Operating Reserves	\$10,501,829	0.0%	\$0
Capital Replacement	\$11,854,847	0.0%	\$0
Routine Capital Replacement	\$2,169,971	0.0%	\$0
Self Insurance	\$600,000	0.0%	\$0
Subtotal	\$25,126,646	0.0%	\$0
Wastewater Direct			
Operating Reserves	\$5,773,051	94.3%	\$5,443,435
Capital Replacement	\$9,225,224	94.3%	\$8,698,504
Routine Capital Replacement	\$1,250,152	94.3%	\$1,178,774
Self Insurance	\$400,000	94.3%	\$377,162
Subtotal	\$16,648,427	94.3%	\$15,697,874
Total	\$41,775,073	37.6%	\$15,697,874

Table 4-4: Outstanding Debt Principal Allocation to Wastewater Service

Debt Issuance	Outstanding Debt Principal (as of Jan. 1, 2024)	Allocation to Wastewater FCCs (%)	Allocation to Wastewater FCCs (\$)
Refunding Revenue Bonds, Series 2014A	\$4,990,000	44.8%	\$2,237,516
Refunding Revenue Bonds, Series 2016A	\$3,825,000	32.4%	\$1,239,300
Revenue Certificates of Participation, Series 2016B	\$36,765,000	0.0%	\$0
Refunding Revenue Bonds, Series 2016C	\$25,240,000	39.1%	\$9,856,220
Revenue Certificates of Participation, Series 2020A	\$61,080,000	0.0%	\$0
Refunding Revenue Bonds, Series 2020B	\$3,430,000	0.0%	\$0
Refunding Revenue Bonds, Series 2020C	\$111,670,000	32.4%	\$36,181,080
Refunding Revenue Bonds, Series 2020D	\$76,825,000	39.4%	\$30,299,780
Refunding Revenue Bonds, Series 2022A	\$67,390,000	32.4%	\$21,834,360
Total	\$391,215,000	26.0%	\$101,648,256

BUY-IN UNITS OF SERVICE

Buy-in units of service are based on the number of current EDUs connected to the District’s wastewater system. District staff provided the existing number of wastewater connections by water meter size and customer class as of 2024 (see Table 4-5). Consistent with the District’s existing Wastewater FCCs, water meter capacity was utilized as a proxy for wastewater flow capacity. WRE calculated the number of EDUs by multiplying the number of meters at each meter size/type by the associated meter capacity ratio. The meter capacity ratios utilized were consistent with the District’s 2023 Cost of Service Study (used to establish currently adopted bi-monthly rates and charges) and are based on AWWA-rated safe operating capacities in gpm by meter size and type.

Table 4-5: Existing Wastewater EDUs

Meter Size/Type	Safe Operating Capacity (gpm)	Meter Capacity Ratio	Existing Number of Meters	Existing Number of EDUs
5/8-inch	20	1.0	1,075	1,075
3/4-inch	30	1.0	21,210	21,210
1-inch	50	1.7	2,509	4,182
1.5-inch	100	3.3	137	457
1.5-inch Turbine	120	4.0	44	176
2-inch	160	5.3	169	901
2-inch Turbine	160	5.3	64	341
3-inch	320	10.7	7	75
3-inch Turbine	350	11.7	11	128
4-inch	500	16.7	4	67
4-inch Turbine	630	21.0	2	42
6-inch	1,000	33.3	2	67
6-inch Turbine	1,400	46.7	0	0
8-inch Turbine	2,400	80.0	0	0
10-inch Turbine	3,800	126.7	0	0
12-inch Turbine	5,000	166.7	0	0
14-inch Turbine	6,000	200.0	0	0
Total			25,234	28,720

BUY-IN COMPONENT CALCULATION

The Wastewater Buy-in component per EDU (see Table 4-6) was calculated by dividing the individual components of the cost basis (per Table 4-2, Table 4-3, and Table 4-4) by the existing number of wastewater EDUS (per Table 4-5).

Table 4-6: Wastewater Buy-in Calculation

Buy-In Component	Cost Basis	Existing EDUs	Buy-in (per EDU)
Capital Asset Value (RCLD)	\$308,977,690	28,720	\$10,758
Cash Reserves	\$15,697,874	28,720	\$547
Less Outstanding Debt Principal	(\$101,648,256)	28,720	(\$3,539)
Total	\$223,027,308		\$7,765

4.4 WASTEWATER INCREMENTAL COST COMPONENT

INCREMENTAL COST CALCULATION OVERVIEW

The development of the Incremental Cost component for the proposed Wastewater FCC consists of three primary steps:

1. **Determine the Incremental Cost Basis:** The Incremental cost basis reflects future capital spending required to expand system capacity to accommodate new users. It is based on the projected cost of growth-related CIP projects and any associated debt financing costs.
2. **Determine the Incremental Cost Units of Service:** The units of service for the Wastewater FCC Incremental Cost component are based on number of EDUs accommodated by expanded system capacity.
3. **Calculate the Incremental Cost component per EDU:** The total Incremental cost basis is divided by the total units of service to calculate the Incremental Cost component on a per EDU basis.

INCREMENTAL COST BASIS

CIP Project Costs

District staff identified select wastewater CIP projects from the District’s currently adopted five-year CIP and 2020 Wastewater Hydraulic Model Update to include in the Incremental cost basis. District staff only selected CIP projects that are needed to accommodate new wastewater users and that can reasonably be constructed within the next ten years (see Table 4-7). Selected projects include substantial construction of and/or upgrades to the El Dorado Hills Trunk sewer line, Strolling Hills Trunk sewer line, Cameron Park Drive Trunk sewer line, and the Motherlode Force Main. All selected CIP projects were deemed by District staff as 100% growth-related and were therefore fully allocated to the Wastewater FCC Incremental cost basis.

Debt Financing Costs

It is currently uncertain whether any of the selected Wastewater CIP projects will be funded wholly or partly by new debt. Therefore, no additional debt financing costs were added to the Incremental cost basis.

Table 4-7: Selected Wastewater Incremental CIP Projects

Line	Selected Wastewater Incremental CIP Projects	Project Cost	Allocation to Wastewater FCCs (%)	Allocation to Wastewater FCCs (\$)
1	Wastewater Collection System Hydraulic Modeling	\$250,000	100.0%	\$250,000
2	El Dorado Hills Trunk – New Relief Lift Station & Force Main (Option 3: Latrobe Road)	\$9,029,132	100.0%	\$9,029,132
3	Promontory Village #2 Lift Station Pump Upgrade	\$1,862,406	100.0%	\$1,862,406
4	Promontory Village #3 LS Upstream Gravity – Upsize to 8”	\$353,621	100.0%	\$353,621
5	Promontory Village Trunk Section 1 – Upsize to 15”	\$872,266	100.0%	\$872,266
6	Promontory Village Trunk Section 2 – Upsize to 18”	\$1,261,250	100.0%	\$1,261,250
7	Promontory Village #1 Lift Station Pump Upgrade	\$2,274,964	100.0%	\$2,274,964
8	Silva Valley Parkway Trunk – 21” Relief Line	\$1,296,612	100.0%	\$1,296,612
9	Strolling Hills Trunk	\$5,798,012	100.0%	\$5,798,012
10	Motherlode Force Main Section 1	\$2,285,954	100.0%	\$2,285,954
11	Cameron Park Drive Trunk	\$6,057,779	100.0%	\$6,057,779
12	El Dorado Lift Station Pump Replacement	\$1,620,950	100.0%	\$1,620,950
13	Debs Frosty Lift Station Upgrade	\$1,246,884	100.0%	\$1,246,884
14	Motherlode Force Main	\$5,000,000	100.0%	\$5,000,000
15	Total	\$39,209,831		\$39,209,831

INCREMENTAL UNITS OF SERVICE

The Incremental units of service represent future wastewater EDUs served by planned wastewater system expansion. The number of future wastewater EDUs served was estimated based on new potable water EDU projections through 2045 (per Section 3.4) District staff estimated that 95% of future potable water connections through 2045 will require wastewater services from the District. Therefore, the number of future potable water EDUs through 2045 was multiplied by 95% to estimate the number of future wastewater EDUs through 2045 served by planned wastewater system expansion.

Table 4-8: Future Wastewater EDUs Served

Line	Future Wastewater EDUs Served by Incremental CIP	Value
1	Future Potable Water EDUs through 2045 ³²	6,847
2	Future Potable Water Connections Requiring Wastewater Service	95%
3	Future Wastewater EDUs Served ³³	6,504

³² Per Table 3-10, Line 19; assumes an annual growth rate of 0.62% (consistent with El Dorado County’s recent Traffic Impact Fee Study).

³³ =[Line 1] × [Line 2]

INCREMENTAL COMPONENT CALCULATION

The Wastewater Incremental Cost component per EDU (see Table 4-9) was calculated by dividing the Incremental cost basis (per Table 4-7) by the number of future EDUS served (per Table 4-8).

Table 4-9: Wastewater Incremental Cost Calculation

Description	Value
Incremental CIP Allocation to FCCs	\$39,209,831
Future EDUs Served	6,504
Incremental Cost Component (per EDU)	\$6,028

4.5 PROPOSED WASTEWATER FCCS

PROPOSED WASTEWATER FCC CALCULATION

The proposed Wastewater FCC per EDU (see Table 4-10) was calculated by summing the Buy-in component (per Table 4-6) and Incremental Cost component (per Table 4-9). The proposed Wastewater FCCs were developed using 2024 as a base year. Therefore, the District may apply annual CCI adjustments to the proposed FCCs beginning January 1, 2025, and each year thereafter.

The proposed Wastewater FCC per EDU is about \$4,100 less than the current FCC (see Table 4-11). The primary reason for the reduction is because the Incremental Cost component has decreased significantly relative to the 2013 FCC Update Study. The prior study’s Incremental CIP component included significant wastewater treatment plant expansions that were expected to be necessary between 2020-2030 to accommodate new growth. Actual growth in recent years was less than projected, and wastewater treatment plant expansions are now likely not needed within the next ten years. The proposed Wastewater FCCs have decreased in large part due to the exclusion of these substantial CIP projects that were included in the 2013 FCC Update Study and the continued depreciation of wastewater system assets.

Table 4-10: Proposed Wastewater FCC Calculation (per EDU)

FCC Component	Proposed FCC (per EDU)
Buy-In	\$7,765
Incremental Cost	\$6,028
Total	\$13,794

Table 4-11: Comparison of Current and Proposed Wastewater FCCs (per EDU)

Comparison to Current Wastewater FCCs	
Proposed FCC (per EDU)	\$13,794
Current FCC (per EDU)	\$17,934
<i>Difference (\$)</i>	<i>(\$4,140)</i>

PROPOSED WASTEWATER FCCS BY METER SIZE/TYPE

Proposed Wastewater FCCs by meter size and type (see Table 4-12) were calculated by multiplying each FCC component per EDU (per Table 4-10) by the associated EDU equivalency (per Table 4-5). This approach ensures that new wastewater customers are charged in proportion to capacity. Note that the proposed EDU equivalencies for 1-inch and 6-inch Turbine meters are different from the current FCC schedule, as they are based on precise rather than rounded AWWA-rated meter capacity ratios.³⁴ Proposed FCCs were only developed for meter sizes and types that District staff will install in the future, which may differ from the size and type of some existing meters. Because the existing Wastewater FCC schedule includes FCCs for non-Turbine type meters only for certain meter sizes, a direct comparison of proposed versus current FCCs is not available for all meter sizes and types (see Table 4-13).

Table 4-12: Proposed Wastewater FCCs

Meter Size/Type	EDU Equivalency	Buy-In	Incremental Cost	Proposed FCC
3/4-inch	1.0	\$7,765	\$6,028	\$13,794
SFR 1-inch	1.0	\$7,765	\$6,028	\$13,794
1-inch	1.7	\$12,942	\$10,047	\$22,990
1.5-inch Turbine	4.0	\$31,062	\$24,113	\$55,175
2-inch Turbine	5.3	\$41,416	\$32,151	\$73,566
3-inch Turbine	11.7	\$90,597	\$70,329	\$160,927
4-inch Turbine	21.0	\$163,075	\$126,593	\$289,668
6-inch Turbine	46.7	\$362,389	\$281,317	\$643,706
8-inch Turbine	80.0	\$621,239	\$482,258	\$1,103,497

Table 4-13: Comparison of Current and Proposed Wastewater FCCs

Meter Size/Type	Proposed FCC	Current FCC	Difference (\$)
3/4-inch	\$13,794	\$17,934	(\$4,140)
SFR 1-inch	\$13,794	\$17,934	(\$4,140)
1-inch	\$22,990	\$35,868	(\$12,878)
1.5-inch Turbine	\$55,175	\$71,736	(\$16,561)
2-inch Turbine	\$73,566	N/A	N/A
3-inch Turbine	\$160,927	N/A	N/A
4-inch Turbine	\$289,668	N/A	N/A
6-inch Turbine	\$643,706	\$842,898	(\$199,192)
8-inch Turbine	\$1,103,497	N/A	N/A

³⁴ The proposed EDU equivalency is 1.7 rather than 2 for 1-inch meters and 46.7 rather than 47 for 6-inch Turbine meters.

5. RECYCLED WATER FCC UPDATE

5.1 CURRENT RECYCLED WATER FCCS

The District’s current Recycled Water FCCs effective January 1, 2024 (see Table 5-1) are directly based on adopted FCCs developed during the 2013 FCC Update Study. Since 2013, Recycled Water FCCs have been adjusted annually in proportion to changes in the CCI. Current Recycled Water FCCs are differentiated by water meter size based on meter capacity ratios and are based on the Hybrid Method. However, the “Fixed Assets plus Future Capital Projects” component shown below essentially combines the Buy-in and Incremental Cost into a single component, which comprises the total Recycled Water FCC.

Table 5-1: Current Recycled Water FCCs (effective Jan. 1, 2024)

Meter Size/ Type	EDUs	Fixed Assets plus Future Capital Projects	Total Recycled Water FCC
3/4-inch	1	\$4,246	\$4,246
1-inch	2	\$8,492	\$8,492
1.5-inch	3	\$12,738	\$12,738
1.5-inch Turbine	4	\$16,984	\$16,984
2-inch	5	\$21,230	\$21,230
3-inch	12	\$50,952	\$50,952
4-inch	21	\$89,166	\$89,166
6-inch	43	\$182,578	\$182,578
6-inch Turbine	47	\$199,562	\$199,562

5.2 PROPOSED RECYCLED WATER FCC METHODOLOGY

PROPOSED METHODOLOGY

WRE worked closely with District staff to evaluate and develop the proposed methodology used to calculate Recycled Water FCCs in this study. The 2013 FCC Update Study utilized the Hybrid Method to establish currently adopted Recycled Water FCCs. However, there is no longer any significant expansion-related CIP planned for the District’s recycled water system. Therefore, an Incremental Cost component is no longer justifiable. WRE recommends eliminating the Incremental Cost component and establishing proposed Recycled Water FCCs based on the Buy-in Method only. This represents a change in the Recycled Water FCC methodology from the Hybrid Method to the Buy-in Method.

OTHER NOTABLE CHANGES FROM 2013 FCC UPDATE METHODOLOGY

The proposed Recycled Water FCC methodology is mostly consistent with the approach utilized in the 2013 FCC Update Study to develop the Buy-in component of the current Recycled Water FCC.

However, the following methodological refinements were identified and incorporated into the proposed Recycled Water FCC calculations. Note that the first refinement to the Recycled Water FCC methodology is consistent with proposed changes to the Potable Water FCC and Wastewater FCC methodologies.

1. **Revised Buy-in units of service:** Buy-in units of service in the 2013 FCC Update Study were set equal to total existing plus future EDUs. To more closely align with the “Equity Buy-in” approach, WRE recommends that Buy-in units of service include existing EDUs only. This proposed change is more consistent with industry standards and best practices.
2. **Inclusion of Buy-in adjustments:** The 2013 FCC Update Study did not include any adjustments to the Buy-in system valuation to account for existing cash reserves, outstanding debt principal, etc. WRE recommends that adjustments be incorporated for existing cash reserves and outstanding debt principal to align with industry standards and maintain consistency with the proposed Potable Water and Wastewater Buy-in methodology.
3. **Exclusion of Smaller Transmission and Distribution Lines:** The 2013 FCC Update Study did not exclude any recycled water transmission and distribution assets from the Buy-in cost basis. Similar to the potable water system however, recycled water transmission and distribution assets include smaller distribution waterlines of six-inch diameter or less that are in-kind contributions by the initial development and generally do not contribute to available system capacity for new connections. WRE therefore recommends excluding a portion of recycled water system transmission and distribution assets from the Recycled Water Buy-in cost basis based on the proportion of recycled water lines that are 6-inches or smaller.

5.3 RECYCLED WATER BUY-IN COMPONENT

BUY-IN CALCULATION OVERVIEW

The development of the Buy-in component for the proposed Recycled Water FCCs consists of three primary steps:

1. **Determine the Buy-in Cost Basis:** The Buy-in cost basis represents the value of the existing system that the new user is buying into. It is based primarily on the value of recycled water system capital assets, but also includes adjustments for cash reserves and outstanding debt principal payments.
2. **Determine the Buy-in Units of Service:** The units of service for the Recycled Water FCC Buy-in are based on the number of EDUs currently connected to the recycled water system. The number of EDUs is determined by utilizing meter capacity ratios to convert larger water meter sizes into $\frac{3}{4}$ -inch meter equivalencies.
3. **Calculate the Buy-in component per EDU:** The total Buy-in cost basis is divided by the total units of service to calculate the Buy-in component on a per EDU basis.

BUY-IN COST BASIS

Capital Asset Value

The same asset valuation approach (RCLD) that was used to quantify potable water and wastewater capital assets was applied to develop the Recycled Water FCC Buy-in cost basis (refer to Section 3.3 for details). WRE worked with District staff to determine which District assets were allocable to Recycled Water FCCs (see Table 5-2).

All “Recycled Water Operations” assets were fully allocated to the Recycled Water FCC Buy-in cost basis, with the exception of reclaimed transmission and distribution assets (see Table 5-2, Line 38). As previously outlined in Section 5.2, smaller existing recycled waterlines are typically contributed by developers and do not benefit future users. It is therefore appropriate to exclude these smaller distribution waterlines from the Recycled Water FCC Buy-in cost basis. Because about 45% of recycled waterlines (based on length) are larger than 6-inches, the same proportion of transmission and distribution asset value was included in the Buy-in cost basis (see Table 5-3 for supporting details).

All “Water Operations” assets, “Hydro Operations” assets, and “Wastewater Operations” assets were excluded, as they pertain solely to either potable water or wastewater services. “General District Operations” assets pertain to administrative and overhead functions that benefit all service types and were therefore proportionally allocated 1.6% to recycled water services. “Recreation” assets were excluded as they do not provide specific benefits to recycled services.

Table 5-2: Capital Asset Allocation to Recycled Water Service

Line	Capital Asset Classification	Capital Asset Value (RCLD)	Allocation to Recycled Water FCCs (%)	Allocation to Recycled Water FCCs (\$)
1	Water Operations			
2	LAND & EASEMENTS	\$10,856,481	0.0%	\$0
3	WATER RIGHTS	\$7,878,194	0.0%	\$0
4	SOURCE OF SUPPLY	\$54,842,440	0.0%	\$0
5	OFFICE FURNITURE & EQUIPMENT	\$206,923	0.0%	\$0
6	OFFICE BUILDINGS & IMPROVEMENTS	\$91,569	0.0%	\$0
7	LAND IMPROVEMENTS	\$403,899	0.0%	\$0
8	TREATMENT PLANT	\$7,831,401	0.0%	\$0
9	WATER FACILITIES	\$10,435,139	0.0%	\$0
10	INFRASTRUCTURE IMPROVEMENTS	\$5,949,974	0.0%	\$0
11	PUMPING PLANT	\$4,154,294	0.0%	\$0
12	TRANSMISSION/DISTRIBUTION	\$438,157,531	0.0%	\$0
13	VEHICLES	\$3,104,587	0.0%	\$0
14	EQUIPMENT & TOOLS	\$2,972,487	0.0%	\$0
15	IMPROVEMENTS SHORT LIFE 5 YRS	\$34,651	0.0%	\$0

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Line	Capital Asset Classification	Capital Asset Value (RCLD)	Allocation to Recycled Water FCCs (%)	Allocation to Recycled Water FCCs (\$)
16	IMPROVEMENTS SHORT LIFE 10 YRS	\$1,078,401	0.0%	\$0
17	Subtotal	\$547,997,971	0.0%	\$0
18				
19	Hydro Operations			
20	LAND & EASEMENTS	\$3,513,323	0.0%	\$0
21	DAMS & RESERVOIRS	\$42,626,809	0.0%	\$0
22	SOURCE OF SUPPLY	\$5,890,245	0.0%	\$0
23	OFFICE FURNITURE & EQUIPMENT	\$0	0.0%	\$0
24	OFFICE BUILDINGS & IMPROVEMENTS	\$1,357,795	0.0%	\$0
25	LAND IMPROVEMENTS	\$251,728	0.0%	\$0
26	TRANSMISSION/DISTRIBUTION	\$39,183,864	0.0%	\$0
27	HYDRO PLANT	\$2,581,360	0.0%	\$0
28	VEHICLES	\$547,900	0.0%	\$0
29	EQUIPMENT & TOOLS	\$379,131	0.0%	\$0
30	IMPROVEMENTS SHORT LIFE 5 YRS	\$0	0.0%	\$0
31	IMPROVEMENTS SHORT LIFE 10 YRS	\$383,044	0.0%	\$0
32	LARGE CONSTRUCTION PROJECT 100 YEARS	\$65,125,556	0.0%	\$0
33	Subtotal	\$161,840,755	0.0%	\$0
34				
35	Recycled Water Operations			
36	TREATMENT PLANT	\$3,780,207	100.0%	\$3,780,207
37	EQUIPMENT & TOOLS	\$143,366	100.0%	\$143,366
38	RECLAIMED WATER TRANSMISSION & DISTRIBUTION	\$31,971,909	45.2%	\$14,459,444
39	IMPROVEMENTS SHORT LIFE 10 YRS	\$7,016	100.0%	\$7,016
40	Subtotal	\$35,902,497	51.2%	\$18,390,032
41				
42	Wastewater Operations			
43	LAND & EASEMENTS	\$1,592,853	0.0%	\$0
44	DISPOSAL - LEACH FIELDS/SEPTIC	\$1,418,011	0.0%	\$0
45	OFFICE FURNITURE & EQUIPMENT	\$132,830	0.0%	\$0
46	OFFICE BUILDINGS & IMPROVEMENTS	\$3,355,975	0.0%	\$0
47	TREATMENT PLANT	\$57,153,728	0.0%	\$0
48	INFRASTRUCTURE IMPROVEMENTS	\$1,492,658	0.0%	\$0
49	TRANSMISSION/DISTRIBUTION	\$235,183,926	0.0%	\$0
50	COLLECTION SYSTEM-WW	\$59,188,262	0.0%	\$0
51	VEHICLES	\$534,736	0.0%	\$0
52	EQUIPMENT & TOOLS	\$1,896,262	0.0%	\$0

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Line	Capital Asset Classification	Capital Asset Value (RCLD)	Allocation to Recycled Water FCCs (%)	Allocation to Recycled Water FCCs (\$)
53	IMPROVEMENTS SHORT LIFE 5 YRS	\$0	0.0%	\$0
54	IMPROVEMENTS SHORT LIFE 10 YRS	\$940,788	0.0%	\$0
55	Subtotal	\$362,890,031	0.0%	\$0
56				
57	General District Operations			
58	LAND & EASEMENTS	\$1,179,913	1.6%	\$19,455
59	OFFICE FURNITURE & EQUIPMENT	\$0	1.6%	\$0
60	OFFICE BUILDINGS & IMPROVEMENTS	\$17,750,915	1.6%	\$292,681
61	VEHICLES	\$287,413	1.6%	\$4,739
62	EQUIPMENT & TOOLS	\$153,089	1.6%	\$2,524
63	IMPROVEMENTS SHORT LIFE 5 YRS	\$0	1.6%	\$0
64	IMPROVEMENTS SHORT LIFE 10 YRS	\$4,505	1.6%	\$74
65	Subtotal	\$19,375,836	1.6%	\$319,473
66				
67	Recreation			
68	LAND & EASEMENTS	\$110,376	0.0%	\$0
69	DAMS & RESERVOIRS	\$1,169,202	0.0%	\$0
70	OFFICE FURNITURE & EQUIPMENT	\$0	0.0%	\$0
71	OFFICE BUILDINGS & IMPROVEMENTS	\$2,728,341	0.0%	\$0
72	LAND IMPROVEMENTS	\$44,382	0.0%	\$0
73	TREATMENT PLANT	\$83,668	0.0%	\$0
74	TRANSMISSION/DISTRIBUTION	\$2,497,925	0.0%	\$0
75	VEHICLES	\$30,270	0.0%	\$0
76	EQUIPMENT & TOOLS	\$30,847	0.0%	\$0
77	IMPROVEMENTS SHORT LIFE 5 YRS	\$0	0.0%	\$0
78	IMPROVEMENTS SHORT LIFE 10 YRS	\$19,298	0.0%	\$0
79	Subtotal	\$6,714,309	0.0%	\$0
80				
81	TOTAL	\$1,134,721,399	1.6%	\$18,709,505

Table 5-3: Basis for Recycled Water Transmission & Distribution Asset Exclusions

Description	Length (feet)	Length (%)
Recycled Water Lines (6-inch diameter or smaller)	279,760	54.8%
Recycled Water Lines (larger than 6-inch diameter)	230,989	45.2%
Total	510,749	100.0%

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Cash Reserves

Current cash reserves held by the District were built up in part through rates and charges collected from past and current recycled water users. Therefore, it is appropriate to include the value of cash reserves when quantifying the existing value of the recycled system. District staff provided WRE with the District’s cash reserve levels as of January 1, 2024 (see Table 5-4). “Water Direct” cash reserves pertain to potable water services only and were therefore excluded. “Wastewater Direct” cash reserves pertain to both wastewater and recycled water operations and were therefore allocated between the Wastewater FCC Buy-in cost basis and Recycled Water FCC Buy-in cost basis in proportion to capital asset values attributed to each service.³⁵

Outstanding Debt Principal

None of the District’s outstanding debt was used to finance recycled water system capital projects. Therefore, no portion of the District’s outstanding debt principal as of January 1, 2024 was allocated to the Recycled Water FCC Buy-in cost basis (see Table 5-5).

Table 5-4: Cash Reserves Allocation to Recycled Water Service

Cash Reserves	Cash Reserves (as of Jan. 1, 2024)	Allocation to Recycled Water FCCs (%)	Allocation to Recycled Water FCCs (\$)
Water Direct			
Operating Reserves	\$10,501,829	0.0%	\$0
Capital Replacement	\$11,854,847	0.0%	\$0
Routine Capital Replacement	\$2,169,971	0.0%	\$0
Self Insurance	\$600,000	0.0%	\$0
Subtotal	\$25,126,646	0.0%	\$0
Wastewater Direct			
Operating Reserves	\$5,773,051	5.7%	\$329,616
Capital Replacement	\$9,225,224	5.7%	\$526,720
Routine Capital Replacement	\$1,250,152	5.7%	\$71,378
Self Insurance	\$400,000	5.7%	\$22,838
Subtotal	\$16,648,427	5.7%	\$950,552
Total	\$41,775,073	2.3%	\$950,552

³⁵ Capital assets attributable to Recycled FCCs (\$18.7 million per Table 5-2) comprise 5.7% of capital assets attributable to either Wastewater FCCs or Recycled Water FCCs (\$327.7 million per Table 4-2 and Table 5-2). Therefore, 5.7% of “Wastewater Direct” reserves were allocated to Recycled Water FCCs.

Table 5-5: Outstanding Debt Principal Allocation to Recycled Water Service

Debt Issuance	Outstanding Debt Principal (as of Jan. 1, 2024)	Allocation to Recycled Water FCCs (%)	Allocation to Recycled Water FCCs (\$)
Refunding Revenue Bonds, Series 2014A	\$4,990,000	0.0%	\$0
Refunding Revenue Bonds, Series 2016A	\$3,825,000	0.0%	\$0
Revenue Certificates of Participation, Series 2016B	\$36,765,000	0.0%	\$0
Refunding Revenue Bonds, Series 2016C	\$25,240,000	0.0%	\$0
Revenue Certificates of Participation, Series 2020A	\$61,080,000	0.0%	\$0
Refunding Revenue Bonds, Series 2020B	\$3,430,000	0.0%	\$0
Refunding Revenue Bonds, Series 2020C	\$111,670,000	0.0%	\$0
Refunding Revenue Bonds, Series 2020D	\$76,825,000	0.0%	\$0
Refunding Revenue Bonds, Series 2022A	\$67,390,000	0.0%	\$0
Total	\$391,215,000	0.0%	\$0

BUY-IN UNITS OF SERVICE

Buy-in units of service are based on the number of current EDUs connected to the District’s recycled water system. District staff provided the existing number of recycled water connections by water meter size and customer class as of 2024 (see Table 5-6). WRE calculated the number of EDUs by multiplying the number of meters at each meter size/type by the associated meter capacity ratio. Meter capacity ratios represent the safe operating capacity of each meter size/type relative to a ¾-inch meter, as larger meters have capacities. The meter capacity ratios utilized were consistent with the District’s 2023 Cost of Service Study (used to establish currently adopted bi-monthly rates and charges) and are based on AWWA-rated safe operating capacities in gpm by meter size and type.

Table 5-6: Existing Recycled Water EDUs

Meter Size/ Type	Safe Operating Capacity (gpm)	Meter Capacity Ratio	Existing Number of Meters	Existing Number of EDUs
5/8-inch	20	1.0	0	0
3/4-inch	30	1.0	5,526	5,526
1-inch	50	1.7	37	62
1.5-inch	100	3.3	35	117
1.5-inch Turbine	120	4.0	29	116
2-inch	160	5.3	15	80
2-inch Turbine	160	5.3	41	219
3-inch	320	10.7	0	0
3-inch Turbine	350	11.7	2	23
4-inch	500	16.7	0	0
4-inch Turbine	630	21.0	2	42
6-inch	1,000	33.3	0	0
6-inch Turbine	1,400	46.7	1	47
8-inch Turbine	2,400	80.0	1	80
10-inch Turbine	3,800	126.7	0	0
12-inch Turbine	5,000	166.7	0	0
14-inch Turbine	6,000	200.0	0	0
Total			5,689	6,311

BUY-IN COMPONENT CALCULATION

The Recycled Water Buy-in component per EDU (see Table 5-7) was calculated by dividing the individual components of the cost basis (per Table 5-2, Table 5-4, and Table 5-5) by the existing number of recycled water system EDUs (per Table 5-6).

Table 5-7: Recycled Water Buy-in Calculation

Buy-In Component	Cost Basis	Existing EDUs	Buy-in (per EDU)
Capital Asset Value (RCLD)	\$18,709,505	6,311	\$2,965
Cash Reserves	\$950,552	6,311	\$151
Less Outstanding Debt Principal	\$0	6,311	\$0
Total	\$19,660,057		\$3,115

5.4 PROPOSED RECYCLED WATER FCCS

PROPOSED RECYCLED WATER FCC CALCULATION

The proposed Recycled Water FCC per EDU (see Table 5-8) is simply equal to the proposed Buy-in component per EDU (per Table 5-7). As the proposed methodology consists of a Buy-in component

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only, an Incremental Cost component is no longer applicable. The proposed Recycled Water FCCs were developed using 2024 as a base year. Therefore, the District may apply annual CCI adjustments to the proposed FCCs beginning January 1, 2025, and each year thereafter.

The proposed Recycled Water FCC per EDU is about \$1,100 less than the current FCC (see Table 5-9). The main reasons for the decrease are the elimination of an Incremental Cost component, the exclusion of transmission and distribution assets of 6-inches and smaller, and the continued depreciation of recycled water system assets.

Table 5-8: Proposed Recycled Water FCC Calculation (per EDU)

FCC Component	Proposed FCC (per EDU)
Buy-In	\$3,115
Incremental Cost	N/A
Total	\$3,115

Table 5-9: Comparison of Current and Proposed Recycled Water FCCs (per EDU)

Comparison to Current Recycled Water FCCs	
Proposed FCC (per EDU)	\$3,115
Current FCC (per EDU)	\$4,246
<i>Difference (\$)</i>	<i>(\$1,131)</i>

PROPOSED RECYCLED WATER FCCS BY METER SIZE/TYPE

Proposed Recycled Water FCCs by meter size and type (see Table 5-10) were calculated by multiplying the Buy-in component per EDU (per Table 5-8) by the associated EDU equivalency (per Table 5-6). This approach ensures that new recycled water users are charged in proportion to capacity. Note that the proposed EDU equivalencies for 1-inch and 6-inch Turbine meters are different from the current FCC schedule, as they are based on precise rather than rounded AWWA-rated meter capacity ratios.³⁶ Proposed FCCs were only developed for meter sizes and types that District staff will install in the future, which may differ from the size and type of some existing meters. Because the existing Recycled Water FCC schedule includes FCCs for non-Turbine type meters only for certain meter sizes, a direct comparison of proposed versus current FCCs is not available for all meter sizes and types (see Table 5-11).

³⁶ The proposed EDU equivalency is 1.7 rather than 2 for 1-inch meters and 46.7 rather than 47 for 6-inch Turbine meters.

Table 5-10: Proposed Recycled Water FCCs

Meter Size/Type	EDU Equivalency	Buy-In	Proposed FCC
3/4-inch	1.0	\$3,115	\$3,115
1-inch	1.7	\$5,192	\$5,192
1.5-inch Turbine	4.0	\$12,461	\$12,461
2-inch Turbine	5.3	\$16,614	\$16,614
3-inch Turbine	11.7	\$36,344	\$36,344
4-inch Turbine	21.0	\$65,419	\$65,419
6-inch Turbine	46.7	\$145,376	\$145,376
8-inch Turbine	80.0	\$249,216	\$249,216

Table 5-11: Comparison of Current and Proposed Recycled Water FCCs

Meter Size/Type	Proposed FCC	Current FCC	Difference (\$)
3/4-inch	\$3,115	\$4,246	<i>(\$1,131)</i>
1-inch	\$5,192	\$8,492	<i>\$0</i>
1.5-inch Turbine	\$12,461	\$16,984	<i>\$0</i>
2-inch Turbine	\$16,614	N/A	<i>N/A</i>
3-inch Turbine	\$36,344	N/A	<i>N/A</i>
4-inch Turbine	\$65,419	N/A	<i>N/A</i>
6-inch Turbine	\$145,376	\$199,562	<i>\$0</i>
8-inch Turbine	\$249,216	N/A	<i>N/A</i>

6. AGRICULTURAL METERED IRRIGATION (AMI) FCC UPDATE

6.1 CURRENT AMI FCCS

AMI refers to metered potable water connections used for agricultural irrigation purposes that meet the specific criteria outlined in the District’s Administrative Regulation (AR) 9024. Overall, very few new AMI customers are expected to connect to the District’s potable water system in the near term. The basis for the District’s current AMI FCCs effective January 1, 2024 (see Table 5-1) was not evaluated during the 2013 FCC Update Study or prior capacity charge nexus study in 2008. Like the District’s FCCs for other services, currently adopted AMI FCCs are differentiated by water meter size based on meter capacity ratios. The current AMI FCCs consist of a ‘Buy-in’ component in addition to the two supplemental charges applicable to Potable Water FCCs.

Table 6-1: Current AMI FCCs (effective Jan. 1, 2024)

Meter Size/ Type	EDUs	Water Buy-in	Gabbro Soils	Line & Cover 3	Total AMI FCC
3/4-inch	1	\$453	\$345	\$325	\$1,123
1-inch	2	\$906	\$690	\$325	\$1,921
1.5-inch	3	\$1,359	\$1,035	\$325	\$2,719
1.5-inch Turbine	4	\$1,812	\$1,380	\$325	\$3,517
2-inch	5	\$2,265	\$1,725	\$325	\$4,315
3-inch	12	\$5,436	\$4,140	\$325	\$9,901
4-inch	21	\$9,513	\$7,245	\$325	\$17,083
6-inch	43	\$19,479	\$14,835	\$325	\$34,639
6-inch Turbine	47	\$21,291	\$16,215	\$325	\$37,831

6.2 PROPOSED AMI FCC METHODOLOGY

PROPOSED METHODOLOGY

AMI is essentially a special subset of potable water service. The primary distinction from other potable water users is that AMI customers use water for agricultural irrigation purposes and therefore do not require water to be treated to potable drinking water standards. Non-potable water, if available, would be sufficient for AMI purposes and many AMI customers, most of whom are located east of Cameron Park, were previously served with non-potable water via antiquated ditches. Due to water loss and high cost of maintenance, the District has abandoned most of its ditches and serves AMI customers with potable water via the District’s piped conveyance and distribution system. Costs associated with treatment to potable standards therefore do not directly benefit AMI customers.

Additionally, significant portions of the potable water system located in the El Dorado Hills/Cameron Park areas of the District’s service area do not directly benefit AMI customers. Due to these differences from other potable water customers, WRE recommends that proposed AMI FCCs be established by applying adjustment factors to each component of the proposed Potable Water FCCs

(from Section 3). Due to the absence of documentation of the existing AMI FCC calculations, it is challenging to compare the proposed methodology to the prior methodology underlying the currently adopted AMI FCCs.

6.3 ATTRIBUTION OF POTABLE WATER FCC COMPONENTS TO AMI FCCS

The proposed AMI FCC per EDU is a direct function of the proposed Potable Water FCC components (see Table 6-2). Each Potable Water FCC component (per Table 3-7, Table 3-11, and Table 3-12) was multiplied by an AMI factor based on how attributable each component is to AMI service. The Potable Water Buy-in component was multiplied by an AMI factor of 41.2% based on a detailed analysis conducted by District staff during the 2023 Cost of Service Study. This analysis identified and isolated potable water system capital assets that benefit AMI customers. Based on this analysis, WRE estimated that AMI services require about 41.2% of system assets that regular potable water customers require, on an acre-foot delivery basis.

The Potable Water Incremental Cost component was applied to AMI FCCs based on whether each CIP project benefits AMI services. District staff indicated that within approximately the next ten years, the only CIP project attributable to AMI service was PW-P-02. All other CIP projects were therefore excluded from the proposed AMI FCCs, including all EDHWTP upgrades. Supplemental charges were both fully applied to proposed AMI FCCs, which is consistent with current AMI FCCs.

Table 6-2: Attribution of Potable Water FCC Components to Proposed AMI FCCs

AMI FCC Calculation	Proposed Potable Water FCC (per EDU)	AMI Factor (%)	Proposed AMI FCC (per EDU)
Buy-in Component			
Capital Asset Value (RCLD)	\$10,988	41.2%	\$4,525
Cash Reserves	\$509	41.2%	\$209
Less Outstanding Debt Principal	(\$5,862)	41.2%	(\$2,414)
Subtotal	\$5,635		\$2,321
Incremental Cost Component			
EDHWTP Priority 1 Project Costs (including Financing Costs)	\$11,511	0.0%	\$0
EDHWTP Priority 2 Project Costs	\$504	0.0%	\$0
PW-P-01: Water main upsized between EDH WTP High Lift PS and Oak Ridge Tanks	\$5,697	0.0%	\$0
PW-PS-01: Oak Ridge Pump Station No. 2	\$2,366	0.0%	\$0
PW-P-02: Water main upsized along existing POM from Res C to Res 7	\$7,426	100.0%	\$7,426
Subtotal	\$27,504		\$7,426
Supplemental Charges			
Current Gabbro Soils Supplemental Charge (per EDU)	\$345	100.0%	\$345
Current Line & Cover 3 Supplemental Charge (per EDU)	\$325	100.0%	\$325
Subtotal	\$670		\$670
Total	\$33,809		\$10,416

6.4 PROPOSED AMI FCCS

PROPOSED AMI WATER FCC CALCULATION

The proposed AMI FCC per EDU (see Table 6-3) equals the sum of each adjusted Potable Water FCC component per EDU (per Table 6-2). The proposed AMI FCCs were developed using 2024 as a base year. Therefore, the District may apply annual CCI adjustments to the proposed FCCs beginning January 1, 2025, and each year thereafter.

The proposed AMI FCC per EDU is about \$9,300 higher than the current FCC (see Table 6-4). This substantial increase is primarily because the District has not increased AMI FCCs annually at the same rate as Potable Water FCCs over the last four decades. As a result, current Potable Water FCCs and AMI FCCs have diverged significantly. The proposed AMI FCC per EDU is about 31% of the proposed Potable Water FCC per EDU.

Table 6-3: Proposed AMI Water FCC Calculation (per EDU)

FCC Component	Proposed FCC (per EDU)
Buy-In	\$2,321
Incremental Cost	\$7,426
Gabbro Soils Supplemental Charge	\$345
Line & Cover 3 Supplemental Charge	\$325
Total	\$10,416

Table 6-4: Comparison of Current and Proposed AMI FCCs (per EDU)

Comparison to Current AMI Water FCCs	
Proposed FCC (per EDU)	\$10,416
Current FCC (per EDU)	\$1,123
<i>Difference (\$)</i>	\$9,293

PROPOSED AMI FCCS BY METER SIZE/TYPE

Proposed AMI FCCs by meter size and type (see Table 6-5) were calculated by multiplying each component per EDU (per Table 6-3) by the associated potable water EDU equivalency (per Table 3-6). This approach ensures that new AMI users are charged in proportion to capacity. Note that the proposed EDU equivalencies for 1-inch and 6-inch Turbine meters are different from the current FCC schedule, as they are based on precise rather than rounded AWWA-rated meter capacity ratios.³⁷ Proposed FCCs were only developed for meter sizes and types that District staff will install in the future, which may differ from the size and type of some existing meters. Because the existing AMI FCC schedule includes FCCs for non-Turbine type meters only for certain meter sizes, a direct comparison of proposed versus current FCCs is not available for all meter sizes and types (see Table 6-5).

Table 6-5: Proposed AMI FCCs

AMI FCCs	EDU Equivalency	Buy-In	Incremental Cost	Gabbro Soils	Line & Cover 3	Proposed FCC
3/4-inch	1.0	\$2,321	\$7,426	\$345	\$325	\$10,416
1-inch	1.7	\$3,868	\$12,376	\$575	\$542	\$17,361
1.5-inch Turbine	4.0	\$9,283	\$29,702	\$1,380	\$1,300	\$41,665
2-inch Turbine	5.3	\$12,377	\$39,603	\$1,840	\$1,733	\$55,554
3-inch Turbine	11.7	\$27,075	\$86,632	\$4,025	\$3,792	\$121,524
4-inch Turbine	21.0	\$48,736	\$155,938	\$7,245	\$6,825	\$218,744
6-inch Turbine	46.7	\$108,302	\$346,528	\$16,100	\$15,167	\$486,097
8-inch Turbine	80.0	\$185,660	\$594,049	\$27,600	\$26,000	\$833,309

³⁷ The proposed EDU equivalency is 1.7 rather than 2 for 1-inch meters and 46.7 rather than 47 for 6-inch Turbine meters.

Table 6-6: Comparison of Current and Proposed AMI FCCs

Meter Size/Type	Proposed FCC	Current FCC	Difference (\$)
3/4-inch	\$10,416	\$1,123	\$9,293
1-inch	\$17,361	\$1,921	\$15,440
1.5-inch Turbine	\$41,665	\$3,517	\$38,148
2-inch Turbine	\$55,554	N/A	N/A
3-inch Turbine	\$121,524	N/A	N/A
4-inch Turbine	\$218,744	N/A	N/A
6-inch Turbine	\$486,097	\$37,831	\$448,266
8-inch Turbine	\$833,309	N/A	N/A

7. DUAL PLUMBED RESIDENTIAL FCC UPDATE

7.1 CURRENT DUAL PLUMBED RESIDENTIAL FCCS

The dual plumbed residential customer class includes SFR customers with both a potable water metered connection for indoor water needs and a recycled water metered connection for outdoor watering needs. Overall, very few new dual plumbed residential customers are expected to connect to the District’s potable and recycled water systems in the near term. The District’s current Dual Plumbed Residential FCCs effective January 1, 2024 (see Table 7-1) are directly based on adopted FCCs developed during the 2013 FCC Update Study. Since 2013, Dual Plumbed Residential FCCs have been adjusted annually in proportion to changes in the CCI.

Current Dual Plumbed Residential FCCs include a reduced Potable Water FCC per EDU in addition to a standard Recycled Water FCC per EDU. This is because dual plumbed residential customers only require potable water to meet indoor water needs, and therefore place less demand on potable water system capacity. A dual plumbed residential customer represents a single EDU. A reduction to the Potable Water FCC is necessary to ensure that a dual plumbed residential connection is not “double-charged” for capacity already provided for by the recycled water system. Without a reduced Potable Water FCC, dual plumbed residential customers would effectively be unjustifiably subjected to FCCs in excess of one EDU. Additionally, the Potable Water FCC reduction for dual plumbed residential customers helps incentivize use of the District’s recycled water system and thus potable water conservation. All future dual plumbed residential customers are expected to have a 1-inch potable meter (i.e., one EDU for SFR) and a ¾-inch recycled water meter (i.e., one EDU). FCCs are therefore only displayed below for one EDU.

Table 7-1: Current Dual Plumbed Residential FCCs (effective Jan. 1, 2024)

Current Dual Plumbed Residential FCC for 1 EDU (1-inch Potable Water Meter & 3/4-inch Recycled Water Meter)	
Potable Water FCC	
Buy-in for Treatment/Transmission/Storage	\$3,622
New Water Supply Projects	\$1,776
Future Capital Projects	\$10,593
Gabbro Soils Supplemental Charge	\$345
Line & Cover 3 Supplemental Charge	\$325
Subtotal – Potable Water FCC	\$16,661
Recycled Water FCC	
Fixed Assets plus Future Capital Projects	\$4,246
Subtotal – Recycled Water FCC	\$4,246
Total Dual Plumbed FCC	\$20,907

7.2 PROPOSED DUAL PLUMBED RESIDENTIAL FCC METHODOLOGY

WRE worked closely with District staff to evaluate and develop the proposed methodology used to calculate Dual Plumbed Residential FCCs in this study. The 2013 FCC Update Study applied an adjustment factor to the Potable Water FCC Buy-in and Incremental Cost components to establish a reduced Potable Water FCC for dual plumbed residential connections. The adjustment factor was set equal to the ratio of five-year average potable water unit demand from dual plumbed residential connections relative to single plumbed SFR customers and was applied to all capital assets and CIP projects except for transmission and distribution. This adjustment factor is necessary because dual plumbed residential customers only require potable water to meet indoor water needs, and therefore place less demand on system capacity than typical SFR customers.

WRE recommends that the same fundamental approach be retained to establish reduced Potable Water FCCs for dual plumbed residential connections. However, we recommend that the water demand adjustment factor be applied to all components of the Potable Water FCC, including the portion of the Buy-in and Incremental Cost components related to transmission and distribution. Dual plumbed residential connections theoretically require the same transmission and distribution capacity as typical SFR customers. However, dual plumbed residential connections place significantly lower average and peak demands on the potable water system because they do not supply water for outdoor irrigation. Because of this, dual plumbed residential customers effectively demand less potable water system capacity, which should be reflected in the Potable Water portion of the Dual Plumbed Residential FCCs. Please refer to Section 7.1 for additional reasons why a potable water adjustment factor for Dual Plumbed Residential FCCs is necessary and appropriate.

The 2013 FCC Update study did not apply an adjustment factor to any Recycled Water FCC components for dual plumbed residential connections, as the recycled water usage characteristics are not fundamentally different between dual plumbed and single plumbed recycled water users. WRE recommends retaining this practice and continuing to charge dual plumbed residential customers the standard Recycled Water FCC per EDU (i.e., no reduction).

7.3 ATTRIBUTION OF FCC COMPONENTS TO DUAL PLUMBED RESIDENTIAL FCCS

DUAL PLUMBED RESIDENTIAL POTABLE WATER DEMAND FACTOR

WRE evaluated five-year average potable water demand for SFR customers to determine a reasonable potable water demand adjustment factor for dual plumbed residential customers (see Table 7-2). The analysis was limited to historical water demand data for Zone 1 and Zone 2 of the District's service area, which corresponds to the El Dorado Hills region where dual plumbed residential service is available. All water demand data was obtained from the District's annual Consumption Reports for the years 2019-2023. Five-year average potable water unit demand was calculated separately for single plumbed SFR customers (see Table 7-2, Line 4) and dual plumbed SFR customers (see Table 7-2, Line 17). Dual plumbed potable water unit demand was adjusted to account for potable water supplementation to the recycled water system, as potable supplementation is necessary to ensure sufficient recycled water supply. With potable

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supplementation accounted for, WRE calculated that five-year average potable water unit demand for dual plumbed residential connections is 59.7% of single plumbed SFR unit water demand.

Table 7-2: Dual Plumbed Residential Potable Water Demand Factor

Line	Potable Water Demand (Single Family Residential Zones 1 & 2)	2019	2020	2021	2022	2023	5-Year Average
1	Single Plumbed Potable Water Use						
2	Potable Water Demand (AFY)	4,842	5,543	5,470	5,428	5,169	5,290
3	Number of Services	9,468	9,855	10,212	10,378	10,554	10,093
4	Unit Demand (AFY per Service) ³⁸	0.51	0.56	0.54	0.52	0.49	0.52
5							
6	Dual Plumbed Potable Water Use						
7	Potable Water Demand (AFY)	824	918	925	902	887	891
8	Number of Services	5,350	5,357	5,454	5,451	5,494	5,421
9	Unit Demand (AFY per Service) ³⁹	0.15	0.17	0.17	0.17	0.16	0.16
10							
11	Potable Water Supplement to Recycled Water System						
12	Potable Water Demand (AFY)	612	751	1,182	881	745	834
13	Number of Services	5,537	5,546	5,638	5,642	5,686	5,610
14	Unit Demand (AFY per Service) ⁴⁰	0.11	0.14	0.21	0.16	0.13	0.15
15							
16	Dual Plumbed Potable Water Demand (w/ Supplement)						
17	Unit Demand (AFY per Service) ⁴¹	0.26	0.31	0.38	0.32	0.29	0.31
18	Unit Demand (% of Single Plumbed) ⁴²	51.7%	54.5%	70.8%	61.5%	59.7%	59.7%

APPLICATION OF POTABLE WATER DEMAND FACTOR TO DUAL PLUMBED RESIDENTIAL FCCS

The proposed Dual Plumbed Residential FCC per EDU is a direct function of the proposed Potable Water FCC components and proposed Recycled Water FCC components (see Table 7-3). Each Potable Water FCC component (per Table 3-13) was multiplied by the dual plumbed residential potable water demand factor of 59.7% (per Table 7-2). This adjustment was necessary to account for the fact that dual plumbed residential customers require less system capacity from the potable water system than single plumbed potable water customers. No adjustments were applied to the Recycled Water FCC components (per Table 4-10), as dual plumbed and single plumbed recycled water demand is not differentiable.

³⁸ =[Line 2] ÷ [Line 3]

³⁹ =[Line 7] ÷ [Line 8]

⁴⁰ =[Line 12] ÷ [Line 13]

⁴¹ =[Line 9] + [Line 14]

⁴² =[Line 17] ÷ [Line 4]

Table 7-3: Attribution of FCC Components to Dual Plumbed Residential FCCs

Dual Plumbed Residential FCC Calculation	Proposed Single Plumbed FCC (per EDU)	Dual Plumbed Factor (%)	Proposed Dual Plumbed FCC (per EDU)
Potable Water			
Buy-In	\$5,635	59.7%	\$3,362
Incremental Cost	\$27,504	59.7%	\$16,411
Gabbro Soils Supplemental Charge	\$345	59.7%	\$206
Line & Cover 3 Supplemental Charge	\$325	59.7%	\$194
Subtotal	\$33,809	59.7%	\$20,173
Recycled Water			
Buy-In	\$3,115	100.0%	\$3,115
Incremental Cost	N/A	N/A	N/A
Subtotal	\$3,115	100.0%	\$3,115
Total	\$36,924	63.1%	\$23,288

7.4 PROPOSED DUAL PLUMBED RESIDENTIAL FCCS

The proposed Dual Plumbed Residential FCC per EDU (see Table 7-4) equals the sum of each adjusted Potable Water FCC component and Recycled Water FCC component per EDU (per Table 7-3). All future dual plumbed residential customers are expected to have a 1-inch potable meter (i.e., one EDU for SFR) and a ¾-inch recycled water meter (i.e., one EDU). FCCs are therefore only displayed for one EDU. The proposed Dual Plumbed Residential FCCs were developed using 2024 as a base year. Therefore, the District may apply annual CCI adjustments to the proposed FCCs beginning January 1, 2025, and each year thereafter.

The proposed Dual Plumbed Residential FCC per EDU is about \$2,400 higher than the current FCC (see Table 7-5). The increase is due to the corresponding increase in the proposed Potable Water FCCs (due in large part to significant potable water incremental CIP). However, this impact is mitigated by the reduction in the proposed Recycled Water FCC.

Table 7-4: Proposed Dual Plumbed Residential Water FCC Calculation (per EDU)

Dual Plumbed Residential FCC Calculation	Proposed Dual Plumbed FCC
Potable Water FCC	
Buy-In	\$3,362
Incremental Cost	\$16,411
Gabbro Soils Supplemental Charge	\$206
Line & Cover 3 Supplemental Charge	\$194
Subtotal – Potable Water FCC	\$20,173
Recycled Water	
Buy-In Component	\$3,115
Incremental Cost Component	\$0
Subtotal – Recycled Water FCC	\$3,115
Total Dual Plumbed FCC	\$23,288

Table 7-5: Comparison of Current and Proposed Dual Plumbed Residential FCCs (per EDU)

Comparison to Current Dual Plumbed Residential FCCs	
Proposed FCC (per EDU)	\$23,288
Current FCC (per EDU)	\$20,907
<i>Difference (\$)</i>	<i>\$2,381</i>

8. PRIVATE FIRE SERVICE FCC UPDATE

8.1 CURRENT PRIVATE FIRE SERVICE FCCS

Private fire service refers to potable water connections that are solely intended to be used for private fire protection purposes such as fire suppression sprinklers, private hydrants, and fire standpipes. The basis for the District’s current Private Fire Service FCCs effective January 1, 2024 (see Table 8-1) was not evaluated during the 2013 FCC Update Study or prior capacity charge nexus study in 2008. Private fire service connections are currently only subject to FCCs if the connection size is 8-inch or 10-inch. All smaller connections are currently exempt from FCCs. The current Private Fire Service FCCs for 8-inch and 10-inch connections consist of a single “Private Fire Service” component. Due to limited documentation, it is challenging to discern details regarding the prior methodology underlying the currently adopted Private Fire Service FCCs.

Table 8-1: Current Private Fire Service FCCs (effective Jan. 1, 2024)

Connection Size	Private Fire Service	Total Private Fire Service FCC
6-inch and smaller	\$0	\$0
8-inch	\$30,290	\$30,290
10-inch	\$47,710	\$47,710

8.2 PRIVATE FIRE SERVICE FCC SURVEY

Water capacity charges for dedicated private fire service connections are uncommon among public retail water agencies in California. WRE surveyed six peer water agencies in the greater Sacramento area to better gain a better understanding of industry norms in the region. The agencies surveyed included the City of Folsom, City of Lincoln, Placer County Water Agency, Sacramento County Water Agency, San Juan Water District, and the City of Roseville. None of the agencies surveyed have unique water capacity charge schedules for dedicated private fire services.

8.3 PRIVATE FIRE SERVICE FCC RECOMMENDATIONS

Based on our survey results and further discussion with District staff, WRE recommends that the District discontinue its Private Fire Service FCCs. Under this recommendation, no new private fire service connections will be subject to an FCC, regardless of connection size. The reasons for this recommendation are as follows:

- Assessing a separate water capacity charge for dedicated private fire protection connections is not industry standard nor a common practice in California.
- Private fire service connections are fundamentally different from all other potable water connections. Use of private fire service connections is extremely rare and only in emergency. Private fire service connections not only provide a specific benefit to the customer, but also a broader public benefit by reducing the fire risk to surrounding properties and the broader service area. Furthermore, installation of a private fire service connection is often a legal

El Dorado Irrigation District / 2024 FCC Update Study

requirement imposed on the property owner by the fire department. Therefore, new users should arguably be exempted from paying for system capacity that provides public benefit and is legally mandated.

- New SFR potable water connections in the District are required to install a 1-inch meter to meet fire protection requirements, even though their non-fire demands could be met by a $\frac{3}{4}$ -inch. These new connections are subject to FCCs based on the $\frac{3}{4}$ -inch amount, which implies that FCCs should not apply to capacity associated with fire protection purposes. Private fire service connections should arguably be treated consistently, and thus also exempted from FCCs.

9. APPENDIX: EVALUATION OF REDUCED FCCS FOR AGE-RESTRICTED DEVELOPMENTS AND FCCS BASED ON BUILDING SQUARE FOOTAGE

Before and during the 2024 FCC Update Study, the District received requests by developers and building industry representatives to consider FCC reductions for age-restricted communities and to base FCCs on the square footage of the buildings they serve. Currently, age-restricted developments are subject to the same Potable Water and Wastewater FCCs as all other new residential developments. WRE worked with District staff to evaluate and consider whether 1) reduced FCCs for new potable water and wastewater connections at age-restricted housing developments are warranted; and 2) whether the District should differentiate its FCCs based on building square footage rather than meter capacity.

WRE surveyed surrounding water and wastewater agencies in the greater Sacramento area to determine whether comparable agencies have reduced capacity charges for age-restricted development. WRE did not identify any instances of reduced water capacity charges for age-restricted development among the agencies surveyed. However, three wastewater agencies surveyed currently have reduced wastewater capacity charges in effect for age-restricted development. These agencies include Sacramento Area Sewer District (40% reduction for age-restricted relative to other residential development), the City of Lincoln (28% reduction), and Placer County (29% reduction).

WRE supported District staff's efforts in evaluating the appropriateness of an FCC reduction for age-restricted households or FCCs based on building square footage. Ultimately, District staff, with Board input during an August 26, 2024 workshop, did not recommend the implementation of Potable Water FCC and Wastewater FCC reductions for age-restricted housing developments or FCCs based on building square footage for the following reasons:

- Capacity charges are intended to recover the proportional cost associated with the amount of capacity required to serve those charged. The most appropriate measure of the amount of capacity required for a connection is the size of the meter. Larger meters are capable of serving more water than smaller meters. Thus, the larger the meter, the more system capacity it requires. Once a meter is installed, it does not matter whether the user is a high user or a low user, but only that the user is capable of using up to the maximum capacity of the meter.
- Capacity charges are not intended to, and do not, recover the cost of the actual water served. That cost is recovered through water rates. Under the District's adopted rates, a lower water user will pay less in water rates than a higher water user with the same meter size. Although it is possible that age-restricted households have lower indoor water demands on average compared to other residential households (due to lower average occupancy), there is not clear evidence to support that age-restricted outdoor water demand is lower on average compared to other residential households. The same is true for residences with smaller indoor square footage. Although a 1,000 square foot residence might be reasonably expected to use

less water indoors than a 5,000 square foot residence, the smaller residence might use more water for outdoor irrigation than the larger residence. Likewise, a residence located in Pollock Pines, where the climate is generally cooler than El Dorado Hills, might use less water for outdoor irrigation than an age-restricted household or a residence of similar square footage located in El Dorado Hills. Irrespective of actual water use, a 1-inch meter serving an age-restricted residence or a smaller residence is capable of serving the same amount as a 1-inch meter serving a non-age-restricted residence or a larger residence (i.e., each 1-inch meter requires the same available system capacity).

- Recent water conservation requirements mandated by the State of California are resulting in reduced water demand and sewer flows across all residential households. Differences in indoor water demand between age-restricted and all other residences may reasonably be expected to decrease into the future.

1 **RESOLUTION OF THE BOARD OF DIRECTORS OF**
2 **EL DORADO IRRIGATION DISTRICT**
3 **REVISING ITS FACILITY CAPACITY CHARGES**
 AND SUPERSEDING RESOLUTION NO. 2013-017

4 WHEREAS, Government Code sections 66013 and 66016 authorize El Dorado Irrigation
5 District (“District”) to adopt a resolution to establish and impose water and sewer connection fees
6 and capacity charges; and

7 WHEREAS, the District imposes such charges, called Facility Capacity Charges (“FCCs”)
8 on new or expanded water, wastewater, and recycled water services; and

9 WHEREAS, the FCCs were last updated in 2013 by resolution of the Board of Directors,
10 utilizing a methodology that was derived and agreed upon by a stakeholders’ group and District staff;
11 and

12 WHEREAS, since 2013, the FCCs have been escalated annually using the Engineering News
13 Record 20-City Construction Cost Index; and

14 WHEREAS, on June 24, 2024, the Board approved the 2024 Water and Recycled Water
15 Master Plan; and

16 WHEREAS, the District retained Water Resources Economics to prepare the 2024 Facility
17 Capacity Charges Update; and

18 WHEREAS, on August 26, 2024, the Board held a workshop on the 2024 Facility Capacity
19 Charges Update; and

20 WHEREAS, on September 11, 2024, the Clerk to the Board of Directors caused to be posted a
21 notice of the time and place of a public hearing to be held at the Board of Director’s September 23,
22 2024, regular meeting to consider updates to the FCCs; and

23 WHEREAS, on September 11, 2024, notice of the time and place of said public hearing was
24 published in the Placerville *Mountain Democrat*, a newspaper of general circulation in the District’s
25 service area; and

26 WHEREAS, on September 13, 2024, the District made available to the public the 2024 Facility
27 Capacity Charge Update report prepared by Water Resources Economics; and

 WHEREAS, on September 23, 2024, the Board of Directors held a public hearing as previously
noticed, during which the Board received testimony and other evidence regarding the proposed
update to the FCCs, and at which members of the public had the opportunity to make oral and/or

1 written presentations to the Board of Directors on said proposal; and

2 WHEREAS, the documents and calculations described in these recitals set forth reasonable
3 cost estimates for the provision of the services for which the FCCs are levied, and establish that proceeds
4 to be generated by the FCCs do not exceed the total estimated costs of providing those services; and

5 WHEREAS, the adoption of this Resolution is statutorily exempt from the California
6 Environmental Quality Act pursuant to Public Resources Code section 21080(b)(8)(C) and (D), and
7 CEQA Guidelines section 15273(a)(3) and (4), because the FCCs are for the purposes of meeting
8 financial reserve needs and requirements and obtaining funds for capital projects necessary to
maintain service within existing service areas.

9 NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the Board of Directors of
10 EL DORADO IRRIGATION DISTRICT as follows:

- 11 1. The above recitals are true and correct and incorporated herein; and
- 12 2. The new Facility Capacity Charges described in the 2024 Facility Capacity Charge
13 Update prepared by Water Resources Economics shall be escalated by the Engineering
14 News Record 20-City Construction Cost Index to reflect 2025 dollars and go into effect
15 January 1, 2025; and
- 16 4. Resolution 2013-017 shall be superseded and of no further force or effect on
January 1, 2025; and
- 17 5. Each type of Facility Capacity Charges and surcharges collected shall be deposited in
18 separate District accounts, and the funds may only be expended for the respective, lawful
19 purposes for which they have been imposed and collected pursuant to Government Code
20 sections 66013.

21 ///
22 ///
23 ///
24 ///
25 ///
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27 ///

1 The foregoing Resolution was introduced at a regular meeting of the Board of Directors of
2 EL DORADO IRRIGATION DISTRICT, held on the 23rd day of September 2024, by Director, who
3 moved its adoption. The motion was seconded by Director, and a poll vote was taken, which stood
4 as follows:

- 5 AYES:
- 6 NOES:
- 7 ABSENT:
- 8 ABSTAIN:

9 With the motion having a majority of votes of “Aye,” the Resolution was declared to have
10 been adopted, and it was so ordered.

11 Alan Day
12 President, Board of Directors
13 EL DORADO IRRIGATION DISTRICT

14 ATTEST:

15 Jennifer Sullivan
16 Clerk to the Board
17 EL DORADO IRRIGATION DISTRICT

18 (SEAL)

19
20
21
22 ///

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El Dorado Irrigation District

Adoption of the 2024 Facility Capacity Charges Update

September 23, 2024



**Water Resources
Economics**

PROMOTING THE VALUE AND PRICE OF
WATER SERVICE



El Dorado Irrigation District

Previous Board Actions

- August 26, 2013 – Board adopted a resolution for the adoption of the Update to the District’s Facility Capacity Charges
- August 26, 2024 – Board held a workshop on the 2024 Facility Capacity Charges Update

Agenda

- Introductions
- Project Schedule
- Review Current and Proposed Facility Capacity Charges (FCCs)
- Questions & Discussion



Introductions

- Sanjay Gaur, Project Manager
 - Over 25 years of experience setting rates and capacity charges for water and wastewater agencies
 - Assisted over 100 different agencies in California
 - Member of the American Water Works Association Rates and Charges Committee (which establishes industry standards for setting capacity charges)
 - MS in Applied Economics from UC Santa Cruz and MPA from Harvard University

FCC Definition

- Facility Capacity Charges (FCCs) are one-time fees paid for by new development
- These fees are often referred to by other agencies as connection fees, capacity fees, system development charges, etc.
- Purpose of FCCs:
 - To equitably recover capital costs incurred to provide system capacity to new users
 - To ensure that existing users are not unfairly burdened by costs incurred to accommodate new users (i.e., “growth pays for growth”)

Goal of Today

- Consider adopting a resolution to approve the facility capacity charges recommended by the 2024 Facility Capacity Charges Update Study.

Schedule

Task	Date / Status
Task 1: Project Management & Initiation	<i>Completed</i>
Task 2: Data Review	<i>Completed</i>
Task 3: FCC Methodology Determination	<i>Completed</i>
Task 4: FCC Model Development	<i>Completed</i>
Task 5: Stakeholder Meetings	<i>July 9, 2024</i>
Task 6: Public Workshops	August 26, 2024
Task 7: Report Development	August 2024
Task 8: Public Hearing	September 23, 2024

Common Capacity Fee Calculation Methodologies

1. Buy-in Method:

- Based on the value of existing capital assets
- Typically used for systems with sufficient existing capacity to meet build-out demand

2. Incremental Cost Method:

- Based on the cost of planned capital expenditures required to expand system capacity
- Typically used for systems that need to expand existing system capacity to accommodate new development

3. Hybrid Method (aka “Total Cost Attribution”):

- Based on a combination of the above two methods
- Typically used for systems that plan to accommodate new development with a combination of unused existing capacity plus future capacity expansion

Overview of Current FCCs

- Last FCC update study in 2013
- FCCs have been escalated annually by the Engineering News Record Construction Cost Index (ENR CCI) since 2013
- EID's current FCCs incorporate elements of all three widely accepted connection fee methodologies:
 1. **Buy-in Method:** Based on the value of existing capital assets
 2. **Incremental Cost Method:** Based on the cost of growth-related CIP
 3. **Hybrid Method:** Based on a combination of the above two methods

EID's FCC Categories

- FCC schedules:
 1. Potable Water
 2. Wastewater
 3. Recycled Water
 4. Agricultural Metered Irrigation
 5. Dual Plumbed Potable/Recycled Water
 6. Private Fire Service

Current FCCs: Potable Water

WATER - RESIDENTIAL/COMMERCIAL/LANDSCAPE- POTABLE ONLY							
Meter Size*	EDU*	Buy-in for Treatment/ Transmission/ Storage	New Water Supply Projects	Future Capital Projects	Gabbro Soils	Line & Cover 3	Potable Only Total
0.75"	1	\$4,473	\$4,444	\$15,591	\$345	\$325	\$25,178
SFR-1" **	1	\$4,473	\$4,444	\$15,591	\$345	\$325	\$25,178
1"	2	\$8,946	\$8,888	\$31,182	\$690	\$650	\$50,356
1.5"	3	\$13,419	\$13,332	\$46,773	\$1,035	\$975	\$75,534
1.5"T	4	\$17,892	\$17,776	\$62,364	\$1,380	\$1,300	\$100,712
2"	5	\$22,365	\$22,220	\$77,955	\$1,725	\$1,625	\$125,890
3"	12	\$53,676	\$53,328	\$187,092	\$4,140	\$3,900	\$302,136
4"	21	\$93,933	\$93,324	\$327,411	\$7,245	\$6,825	\$528,738
6"	43	\$192,339	\$191,092	\$670,413	\$14,835	\$13,975	\$1,082,654
6"T	47	\$210,231	\$208,868	\$732,777	\$16,215	\$15,275	\$1,183,366
* The meter size and associated equivalent dwelling unit (EDU) are based on standards adopted by the American Water Works Association (AWWA)							
** Single Family Residence with Private Fire Service- per 2009 International Residential Code (IRC). If sprinkler demand requires a meter size greater than 1-inch, the current cost for the corresponding meter size will be charged.							
FCCs for multifamily developments (apartments, mobile home parks, etc.) are not based on meter size and are calculated at 0.75 of one EDU per dwelling.							

Current FCCs: Wastewater

WASTEWATER - RESIDENTIAL/COMMERCIAL				
Meter Size*	EDU*	Buy-in for Collection/ Pumping/ Treatment	Future Capital Projects	Wastewater Total
0.75"	1	\$8,393	\$9,541	\$17,934
1"	2	\$16,786	\$19,082	\$35,868
1.5"	3	\$25,179	\$28,623	\$53,802
1.5"T	4	\$33,572	\$38,164	\$71,736
2"	5	\$41,965	\$47,705	\$89,670
3"	12	\$100,716	\$114,492	\$215,208
4"	21	\$176,253	\$200,361	\$376,614
6"	43	\$360,899	\$410,263	\$771,162
6"T	47	\$394,471	\$448,427	\$842,898

*The meter size and associated equivalent dwelling unit (EDU) are based on standards adopted by the American Water Works Association (AWWA)

-FCCs for multifamily developments (apartments, mobile home parks, etc.) are not based on meter size and are calculated at 0.75 of one EDU per dwelling.

Current FCCs: Recycled Water

RECYCLED WATER - COMMERCIAL LANDSCAPE				
Meter Size*	EDU*	Fixed Assests plus Future Capital Projects	Commercial Recycled Total	
0.75"	1	\$4,246	\$4,246	
1"	2	\$8,492	\$8,492	
1.5"	3	\$12,738	\$12,738	
1.5"T	4	\$16,984	\$16,984	
2"	5	\$21,230	\$21,230	
3"	12	\$50,952	\$50,952	
4"	21	\$89,166	\$89,166	
6"	43	\$182,578	\$182,578	
6"T	47	\$199,562	\$199,562	

*The meter size and associated equivalent dwelling unit (EDU) are based on standards adopted by the American Water Works Association (AWWA)

Current FCCs: Agricultural Metered Irrigation

AGRICULTURAL METERED IRRIGATION (AMI)					
Meter Size*	EDU*	Water Buy-in	Gabbro Soils	Line & Cover 3	AMI Total
0.75"	1	\$453	\$345	\$325	\$1,123
1"	2	\$906	\$690	\$325	\$1,921
1.5"	3	\$1,359	\$1,035	\$325	\$2,719
1.5"T	4	\$1,812	\$1,380	\$325	\$3,517
2"	5	\$2,265	\$1,725	\$325	\$4,315
3"	12	\$5,436	\$4,140	\$325	\$9,901
4"	21	\$9,513	\$7,245	\$325	\$17,083
6"	43	\$19,479	\$14,835	\$325	\$34,639
6"T	47	\$21,291	\$16,215	\$325	\$37,831
Refer to AR 9024 for information regarding eligibility requirements for the AMI FCC					
Refer to AR 9021 for information regarding future connections to EID ditches					

Current FCCs: Dual Plumbed Potable/Recycled Water

POTABLE WATER / RECYCLED WATER - RESIDENTIAL- DUAL PLUMBED Requires purchase of both potable and recycled meters									
Meter Size*	EDU*	Buy-in for Treatment/ Transmission/ Storage	New Water Supply Projects	Future Capital Projects	Gabbro Soils	Line & Cover 3	Potable FCC Sub-Total	Recycled FCC Sub-Total	Dual Plumbed Total
0.75"	1	\$3,622	\$1,776	\$10,593	\$345	\$325	\$16,661	\$4,246	\$20,907
SFR-1" **	1	\$3,622	\$1,776	\$10,593	\$345	\$325	\$16,661	\$4,246	\$20,907
1"	2	\$7,244	\$3,552	\$21,186	\$690	\$650	\$33,322	\$8,492	\$41,814
1.5"	3	\$10,866	\$5,328	\$31,779	\$1,035	\$975	\$49,983	\$12,738	\$62,721
1.5"T	4	\$14,488	\$7,104	\$42,372	\$1,380	\$1,300	\$66,644	\$16,984	\$83,628
2"	5	\$18,110	\$8,880	\$52,965	\$1,725	\$1,625	\$83,305	\$21,230	\$104,535
3"	12	\$43,464	\$21,312	\$127,116	\$4,140	\$3,900	\$199,932	\$50,952	\$250,884
4"	21	\$76,062	\$37,296	\$222,453	\$7,245	\$6,825	\$349,881	\$89,166	\$439,047
6"	43	\$155,746	\$76,368	\$455,499	\$14,835	\$13,975	\$716,423	\$182,578	\$899,001
6"T	47	\$170,234	\$83,472	\$497,871	\$16,215	\$15,275	\$783,067	\$199,562	\$982,629
* The meter size and associated equivalent dwelling unit (EDU) are based on standards adopted by the American Water Works Association (AWWA)									
** Single Family Residence with Private Fire Service- per 2009 International Residential Code (IRC). If sprinkler demand requires a meter size greater than 1-inch, the current cost for the corresponding meter size will be charged.									
FCCs for multifamily developments (apartments, mobile home parks, etc.) are not based on meter size and are calculated at 0.75 of one EDU per dwelling.									

Current FCCs: Private Fire Service

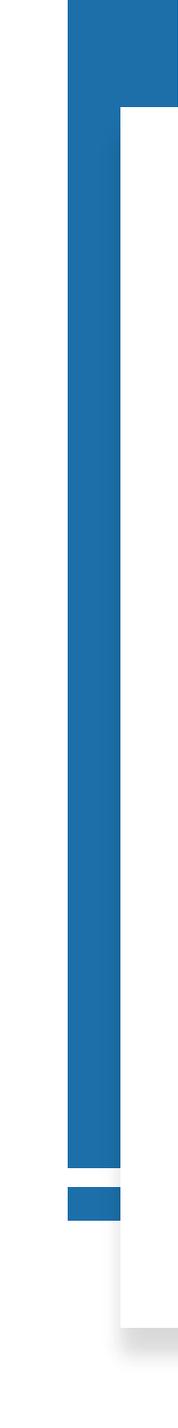
PRIVATE FIRE SERVICE (PFS) - Applies to a separate water service designed and designated solely for fire suppression				
Meter Size*	EDU*	PFS FCC	Gabbro Soils	PFS Total
0.75"	0	\$0	\$0	\$0
1"	0	\$0	\$0	\$0
1.5"	0	\$0	\$0	\$0
1.5"T	0	\$0	\$0	\$0
2"	0	\$0	\$0	\$0
3"	0	\$0	\$0	\$0
4"	0	\$0	\$0	\$0
6"	0	\$0	\$0	\$0
6"T	0	\$0	\$0	\$0
8"	0	\$30,290	\$0	\$30,290
10"	0	\$47,710	\$0	\$47,710

* The meter size and associated equivalent dwelling unit (EDU) are based on standards adopted by the American Water Works Association (AWWA)

** EDU ratios for meter sizes larger than 6" will be calculated based on actual water flows

Factors Considered in FCC Calculation

- FCC excludes distribution lines
 - These are in-kind contribution by developers
 - Water – 6-inch lines and below
 - Wastewater – all collection lines
 - Recycled – 6-inch lines and below
- FCC calculations are in 2024 dollars
 - Adopted fees in 2025 will consider ENR CCI increases
- Asset valuation is based on “Replacement Cost Less Depreciation”



Potable Water FCCs

Potable Water: Buy-in Component

Buy-In Component	Cost Basis	Existing EDUs	FCC Component (per EDU)
Capital Asset Value (RCLD)	\$542,800,932	49,400	\$10,988
Cash Reserves	\$25,126,646	49,400	\$509
Less Outstanding Debt Principal	(\$289,566,744)	49,400	(\$5,862)
Subtotal	\$278,360,834		\$5,635

Note: Asset value excludes distribution assets associated with pipelines 6-inch diameter or smaller

Potable Water: Incremental CIP

Potable Water Incremental CIP	2024 Water Master Plan Project Cost	% Funded by Future EDUs	Future FCC Funded Project Costs	Future EDUs Served	Incremental Cost per EDU
PW-P-01: Water main upsize between EDH WTP High Lift PS and Oak Ridge tanks	\$32,632,000	100.00%	\$32,632,000	5,728	\$5,697
PW-PS-01: Oak Ridge Pump Station No. 2	\$8,673,000	100.00%	\$8,673,000	3,666	\$2,366
PW-P-02: Water main upsize along existing POM from Res C to Res 7	\$101,682,000	50.00%	\$50,841,000	6,847	\$7,426
Priority 1: EDH-1 - Washwater Phase 1	\$7,100,000	18.75%	\$1,331,250	5,728	\$232
Priority 1: EDH-2 - Generator and Electrical Service Relocation	\$3,100,000	18.75%	\$581,250	5,728	\$101
Priority 1: EDH-3 - Plate Settler Relocation	\$2,700,000	18.75%	\$506,250	5,728	\$88
Priority 1: EDH-4 - Site Demo and Preparation	\$2,900,000	18.75%	\$543,750	5,728	\$95
Priority 1: EDH-7 - Flash Mix and Raw Water Pipe Re-Route	\$1,600,000	18.75%	\$300,000	5,728	\$52
Priority 1: EDH-8 - Pretreatment Trains 1-2	\$24,800,000	18.75%	\$4,650,000	5,728	\$812
Priority 1: EDH-9 - Filters 1-5	\$29,300,000	18.75%	\$5,493,750	5,728	\$959
Priority 1: EDH-12 - Convert Raw Water Head Tank Into Backwash Supply Tank	\$2,300,000	18.75%	\$431,250	5,728	\$75
Priority 1: EDH-13 - Polyphosphate Storage Improvements	\$200,000	18.75%	\$37,500	5,728	\$7
Priority 1: EDH-19 - High Lift Pump Station Expansion - Phase 1	\$9,800,000	100.00%	\$9,800,000	5,728	\$1,711
Priority 1: EDH-20 - Clearwell Expansion for 24 mgd	\$4,700,000	100.00%	\$4,700,000	5,728	\$821
Priority 2: EDH-5 - Washwater Phase 2	\$4,100,000	18.75%	\$768,750	5,728	\$134
Priority 2: EDH-6 - Caustic Storage Facility	\$2,700,000	18.75%	\$506,250	5,728	\$88
Priority 2: EDH-14 - Central Chemical Facility	\$5,600,000	18.75%	\$1,050,000	5,728	\$183
Priority 2: EDH-15 - PAC Storage and Feed Facility	\$3,000,000	18.75%	\$562,500	5,728	\$98
Total	\$246,887,000		\$123,408,500	5,892	\$20,946

Source: 2024 Water Master Plan

Potable Water: Future EDUs

- EDHWTP: 5,728 future EDUs (based on expanded treatment capacity)
 - = [4.5 MGD expanded treatment capacity] x [0.44 AFY per EDU water demand] x [2.0 Max Day peaking factor] x [0.00089 AFY to MGD conversion]
- Oak Ridge Pump Station No.2: 3,666 future EDUs (based on pump station capacity)
 - = [2,000 gpm capacity] x [0.44 AFY per EDU water demand] x [2.0 Max Day peaking factor] x [0.61996 AFY to gpm conversion]
- All other Incremental CIP: 6,847 future EDUs (based on growth projections)
 - = 49,400 existing equivalent meter units increased by 0.62% per year through 2045 (per County Traffic Impact Fee growth assumption)

Potable Water: Incremental Component

Incremental Component	Cost Basis	Future EDUs	FCC Component (per EDU)
EDHWTP Priority 1 WTP Projects: CIP	\$28,375,000	5,728	\$4,954
EDHWTP Priority 2 WTP Projects: CIP	\$2,887,500	5,728	\$504
EDHWTP WTP Projects: Financing Costs	\$37,562,804	5,728	\$6,558
PW-P-01: Water main upsize between EDH WTP High Lift PS and Oak Ridge tanks	\$32,632,000	5,728	\$5,697
PW-PS-01: Oak Ridge Pump Station No. 2	\$8,673,000	3,666	\$2,366
PW-P-02: Water main upsize along existing POM from Res C to Res 7	\$50,841,000	6,847	\$7,426
Subtotal	\$160,971,304		\$27,504

Note:

EDHWTP Financing Costs: Total interest cost for 30-year loan at 6.50% interest and 2% issuance cost

Potable Water FCC Calculation

Proposed FCC Calculation		Notes
Buy-In Component (per EDU)	\$5,635	= <i>[Buy-In System Value] / [Existing EDUs]</i>
Incremental Component (per EDU)	\$27,504	= <i>[Incremental CIP] / [Future EDUs]</i>
Current Gabbro Soils Supplemental Charge (per EDU)	\$345	
Current Line & Cover 3 Supplemental Charge (per EDU)	\$325	
Proposed FCC (per EDU)	\$33,809	
Comparison to Current FCC		Notes
Proposed FCC (per EDU)	\$33,809	<i>Excludes potential CCI adjustment for Jan. 1, 2025</i>
Current FCC (per EDU)	\$25,178	<i>Current FCC effective Jan. 1, 2024</i>
<i>Difference (\$)</i>	<i>\$8,631</i>	

- Lower asset valuation (aging system)
- Increased costs for future expansion projects

Potable Water: Multi-Family Change

- Current methodology considers number of dwelling units for Multi-Family
- District charges 75% of Water FCC per dwelling unit for multi-family
 - Example: 10-unit apartment complex = 7.5 Equivalent Dwelling Units (EDU) of Water FCCs
- Water FCC solely based on meter size
 - Charge FCC based on meter size required for the multi-family development

Wastewater FCCs

Wastewater: Buy-in Component

Buy-In Component	Cost Basis	Existing EDUs	FCC Component (per EDU)
Capital Asset Value (RCLD)	\$308,977,690	28,720	\$10,758
Cash Reserves	\$15,697,874	28,720	\$547
Less Outstanding Debt Principal	(\$101,648,256)	28,720	(\$3,539)
Subtotal	\$223,027,308		\$7,765

Note: Asset value excludes collection system assets associated with small sewer collection pipelines

Wastewater Incremental CIP

Wastewater Incremental CIP	Project Cost	% Funded by Future EDUs	Future FCC		Incremental Cost per EDU
			Funded Project Costs	Future EDUs Served	
Wastewater Collection System Hydraulic Modeling	\$250,000	100.00%	\$250,000	6,504	\$38
El Dorado Hills Trunk – New Relief Lift Station & Forcemain (Option 3: Latrobe Road)	\$9,029,132	100.00%	\$9,029,132	6,504	\$1,388
Promontory Village #2 Lift Station Pump Upgrade	\$1,862,406	100.00%	\$1,862,406	6,504	\$286
Promontory Village #3 LS Upstream Gravity – Upsize to 8”	\$353,621	100.00%	\$353,621	6,504	\$54
Promontory Village Trunk Section 1 – Upsize to 15”	\$872,266	100.00%	\$872,266	6,504	\$134
Promontory Village Trunk Section 2 – Upsize to 18”	\$1,261,250	100.00%	\$1,261,250	6,504	\$194
Promontory Village #1 Lift Station Pump Upgrade	\$2,274,964	100.00%	\$2,274,964	6,504	\$350
Silva Valley Parkway Trunk – 21” Relief Line	\$1,296,612	100.00%	\$1,296,612	6,504	\$199
Strolling Hills Trunk	\$5,798,012	100.00%	\$5,798,012	6,504	\$891
Motherlode Force Main Section 1	\$2,285,954	100.00%	\$2,285,954	6,504	\$351
Cameron Park Drive Trunk	\$6,057,779	100.00%	\$6,057,779	6,504	\$931
El Dorado Lift Station Pump Replacement	\$1,620,950	100.00%	\$1,620,950	6,504	\$249
Debs Frosty Lift Station Upgrade	\$1,246,884	100.00%	\$1,246,884	6,504	\$192
Motherlode Force Main	\$5,000,000	100.00%	\$5,000,000	6,504	\$769
Total	\$39,209,831		\$39,209,831		\$6,028

Source: 2024-2028 Adopted 5-year CIP; 2020 Wastewater Hydraulic Model Update

Wastewater: Incremental Component

Incremental Component	
Incremental CIP	
Wastewater Collection System Hydraulic Modeling	\$250,000
El Dorado Hills Collection System CIP	\$16,950,251
Deer Creek Collection System CIP	\$22,009,579
Subtotal	\$39,209,831
Units of Service	
Future number of EDUs	6,504
Incremental Component	
Incremental Fee (per EDU)	\$6,028

Notes:

Future EDUs = 95% of estimated future potable water connections through 2045 assuming 0.62% annual growth per County Traffic Impact Fee Study.

Wastewater FCC Calculation

Proposed FCC Calculation		Notes
Buy-In Component (per EDU)	\$7,765	= <i>[Buy-In System Value] / [Existing EDUs]</i>
Incremental Component (per EDU)	\$6,028	= <i>[Incremental CIP] / [Future EDUs]</i>
Proposed FCC (per EDU)	\$13,794	
Comparison to Current FCC		Notes
Proposed FCC (per EDU)	\$13,794	<i>Excludes potential CCI adjustment for Jan. 1, 2025</i>
Current FCC (per EDU)	\$17,934	<i>effective Jan. 1, 2024</i>
<i>Difference (\$)</i>	<i>(\$4,140)</i>	

Notes:

- Lower asset valuation (aging system)
- Lower incremental cost - Removed wastewater treatment plant expansion costs with lower growth rates

Combined Potable Water & Wastewater FCCs

Combined Potable Water & Wastewater FCCs	Current FCC (per EDU)	Proposed FCC (per EDU)	Difference (\$)
Potable Water	\$25,178	\$33,809	\$8,631
Wastewater	\$17,934	\$13,794	(\$4,140)
Combined	\$43,112	\$47,603	\$4,491

Recycled Water FCCs

Recycled Water: Buy-in Component

Buy-In Component	Cost Basis	Existing EDUs	FCC Component (per EDU)
Capital Asset Value (RCLD)	\$18,709,505	6,311	\$2,965
Cash Reserves	\$950,552	6,311	\$151
Less Outstanding Debt Principal	\$0	6,311	\$0
Subtotal	\$19,660,057		\$3,115

Note: Asset value excludes transmission & distribution assets associated with pipelines of 6-inch diameter or smaller.

Recycled Water FCC Calculation

Proposed FCC Calculation		Notes
Buy-In Component (per EDU)	\$3,115	= <i>[Buy-In System Value] / [Existing EDUs]</i>
Incremental Component (per EDU)	\$0	= <i>[Incremental CIP] / [Future EDUs]</i>
Proposed FCC (per EDU)	\$3,115	
Comparison to Current FCC		Notes
Proposed FCC (per EDU)	\$3,115	<i>Excludes potential CCI adjustment for Jan. 1, 2025</i>
Current FCC (per EDU)	\$4,246	<i>Current FCC effective Jan. 1, 2024</i>
<i>Difference (\$)</i>	<i>(\$1,131)</i>	

Agricultural Metered Irrigation (AMI) FCCs

Agricultural Metered Irrigation (AMI) FCC Update

- The current AMI FCC has not been evaluated for over 15 years
- Updated AMI fee is based on the proposed Potable Water FCC, with the following adjustments:
 - Buy-in component reduced to exclude treatment/other assets that don't benefit AMI
 - Only 41.2% of potable water assets benefit new AMI based on detailed analysis from 2023 cost-of-service study
 - Incremental component excludes capital projects that don't benefit new AMI

Agricultural Metered Irrigation (AMI) FCC Calculation

AMI FCC Calculation	Potable Water FCC (per EDU)	% Applied to AMI FCC	AMI FCC (per EDU)
Buy-in Component			
Capital Asset Value (RCLD)	\$10,988	41.2%	\$4,525
Cash Reserves	\$509	41.2%	\$209
Less Outstanding Debt Principal	(\$5,862)	41.2%	(\$2,414)
Subtotal	\$5,635		\$2,321
Incremental Component			
EDHWTP Priority 1 WTP Projects: CIP	\$4,954	0.0%	\$0
EDHWTP Priority 2 WTP Projects: CIP	\$504	0.0%	\$0
EDHWTP WTP Projects: Financing Costs	\$6,558	0.0%	\$0
PW-P-01: Water main upsize between EDH WTP High Lift PS and Oak Ridge tanks	\$5,697	0.0%	\$0
PW-PS-01: Oak Ridge Pump Station No. 2	\$2,366	0.0%	\$0
PW-P-02: Water main upsize along existing POM from Res C to Res 7	\$7,426	100.0%	\$7,426
Subtotal	\$27,504		\$7,426
Supplemental Charges			
Current Gabbro Soils Supplemental Charge (per EDU)	\$345	100.0%	\$345
Current Line & Cover 3 Supplemental Charge (per EDU)	\$325	100.0%	\$325
Subtotal	\$670		\$670
Total	\$33,809		\$10,416

Agricultural Metered Irrigation (AMI) FCC Summary

Proposed FCC Calculation	
Buy-In Component (per EDU)	\$2,321
Incremental Component (per EDU)	\$7,426
Current Gabbro Soils Supplemental Charge (per EDU)	\$345
Current Line & Cover 3 Supplemental Charge (per EDU)	\$325
Proposed FCC (per EDU)	\$10,416

Comparison to Current FCC		Notes
Proposed FCC (per EDU)	\$10,416	<i>Excludes potential CCI adjustment for Jan. 1, 2025</i>
Current FCC (per EDU)	\$1,123	<i>Current FCC effective Jan. 1, 2024</i>
<i>Difference (\$)</i>	<i>\$9,293</i>	

Dual Plumbed Potable/ Recycled FCCs

Dual Plumbed Potable/Recycled FCC Calculation

- Dual plumbed connections use:
 - Potable water for indoor needs
 - Recycled water for outdoor watering
- Dual plumbed customer represents 1 EDU
- Reduction necessary to ensure no “double charging” for capacity
- Therefore, we propose that dual plumbed connections are subject to:
 - 59.7% of the Potable Water FCC (based on 5-year potable water demand data from 2019-2023)
 - 100% of the Recycled Water FCC

Dual Plumbed Potable/Recycled FCC Calculation

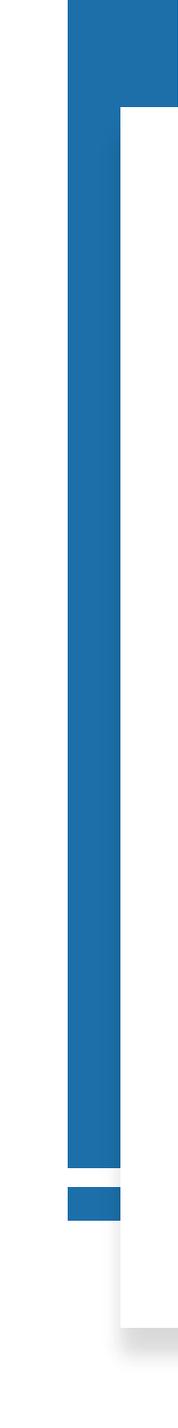
Dual Plumbed FCC Calculation	Single Plumbed FCC (per EDU)	% Applied to Dual Plumbed	Dual Plumbed FCC (per EDU)
Potable Water Component			
Buy-in Component	\$5,635	59.7%	\$3,362
Incremental Component	\$27,504	59.7%	\$16,411
Current Gabbro Soils Supplemental Charge	\$345	59.7%	\$206
Current Line & Cover 3 Supplemental Charge	\$325	59.7%	\$194
Subtotal	\$33,809		\$20,173
Recycled Water Component			
Buy-in Component	\$3,115	100%	\$3,115
Incremental Component	\$0	100%	\$0
Subtotal	\$3,115		\$3,115
Total			\$23,288

Note: Potable water demand per connection for dual plumbed customers was 59.7% of potable water demand per connection for potable only customers in Zones 1 & 2 over the last five years (2019-2023)

Dual Plumbed Potable/Recycled FCC Summary

Proposed Dual Plumbed FCC Calculation	
Potable Component (per EDU)	\$20,173
Recycled Component (per EDU)	\$3,115
Total Proposed Dual Plumbed FCC (per EDU)	\$23,288

Comparison to Current FCC		Notes
Proposed FCC (per EDU)	\$23,288	<i>Excludes potential CCI adjustment for Jan. 1, 2025</i>
Current FCC (per EDU)	\$20,907	<i>Current FCC effective Jan. 1, 2024</i>
<i>Difference (\$)</i>	<i>\$2,381</i>	



Private Fire FCCs

Private Fire Service FCCs

- EID currently charges Private Fire FCCs for dedicated fire protection connections that are 8-inches or larger
- We surveyed 6 neighboring water agencies, none of which have separate connection fees for private fire connections
- We recommend discontinuing FCCs for all new private fire connections

Reduced FCC requests

- Developer and building industry requests for age-restricted reduced FCCs and/or FCCs based on building square footage
- Discussed during the August 26, 2024 workshop - Staff did not recommend implementation
- Capacity charges are intended to cover “capacity” to serve a new connection; the most appropriate measure of capacity is meter size
- No evidence to support age-restricted total water demand is always lower than other residential connections

Reduced FCC requests

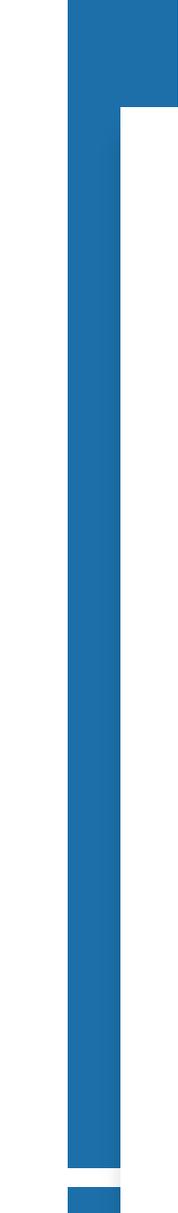
- Building size does not directly correlate to water use:
 - A 1,000 square foot residence may use more water than a 5,000 sf residence:
 - More occupants or more outside irrigation
 - Regardless of building size, a residence in El Dorado Hills would likely use more water for irrigation than a residence in Pollock Pines
- Recent water conservation requirements mandated by the State are resulting in reduced water demand across all residential households

Board Options

- **Option 1:** Adopt a resolution to approve the facility capacity charges recommended by the 2024 Facility Capacity Charges Update Study.
- **Option 2:** Take other action as directed by the Board.
- **Option 3:** Take no action.

Recommendation

- **Option 1**



Comments & Questions

EL DORADO IRRIGATION DISTRICT

SUBJECT: Consider ratifying EID General Warrant Registers for the periods ending September 3 and September 10, 2024, and Employee Expense Reimbursements for these periods.

PREVIOUS BOARD ACTION

The Board ratifies the District’s General Warrant Registers at each regular meeting of the Board.

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

Section 24600 of the Water Code provides that no claim shall be paid unless allowed by the Board.

SUMMARY OF ISSUE

District staff notifies the Board of proposed payments via email and requests ratification of the warrant registers at the subsequent regular meeting of the Board. Copies of the Warrant Registers are sent to the Board on the Friday preceding the Warrant Register’s date. If no comment or request to withhold payment is received from any Director prior to the following Tuesday morning, the warrants are mailed out, and formal ratification of said warrants is agendaized on the next regular Board agenda.

BACKGROUND/DISCUSSION

Current Warrant Register Information

Warrants are prepared by Accounts Payable and reviewed and approved by the Finance and Accounting Manager, the Director of Finance, and the General Manager or their designee.

Register Date	Check Numbers	Amount
September 3, 2024	712081 – 712188	\$602,456.43
September 10, 2024	712089 – 712234	\$571,109.80

Current Employee Expense Reimbursements

The Finance and Accounting Manager and General Manager reviewed and approved employee expenses and reimbursements prior to the warrants being released. These expenses and reimbursements are for activities performed in the interest of the District in accordance with Board Policy 12065 and Resolution No. 2007-059.

Additional information regarding Board and Employee expense reimbursements is available for copying or public inspection at District headquarters in compliance with Government Code Section 53065.5.

BOARD OPTIONS

Option 1: Ratify the EID General Warrant Registers and Employee Expense Reimbursements as submitted.

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

Option 3: Take no action.

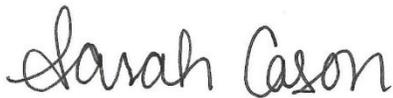
RECOMMENDATION

Option 1

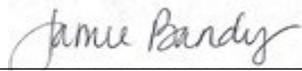
ATTACHMENTS

Attachment A: Executive summaries

Attachment B: Employee expense reimbursements totaling \$100 or more



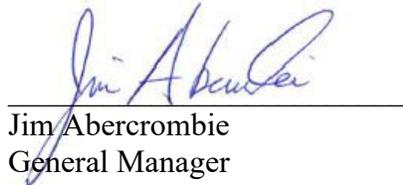
Sarah Cason
Finance and Accounting Manager



Jamie Bandy
Finance Director



Jennifer Sullivan
Clerk to the Board



Jim Abercrombie
General Manager

Executive Summary for September 3, 2024 -- \$602,456.43:

This summary highlights significant disbursements made by major business activity:

Development Services (Fund 105) – None to report

General District Operations (Fund 110)

- \$59,105—Aqua Metric Sales Company for water meters
- \$4,864—AT&T for internet service
- \$3,431—Breault Asphalt Maintenance for credit balance refund on customer account
- \$50,506—City of Sacramento for Water Forum cost share FY25
- \$35,885—Core & Main LP for copper tubing
- \$3,187—Doug Veerkamp General Engineering, Inc. for a credit balance refund on customer account
- \$4,934—Ferguson Enterprises, LLC for copper tubing
- \$4,320—Hunt & Sons, LLC for fuel deliveries to Sly Park and Camp 5
- \$4,358—Maze and Associates for 2023 audit services
- \$3,718—U.S. Bank for membership renewals, conference registrations and travel expenses

Engineering Operations (Fund 210) – none to report

Water Operations (Fund 310)

- \$9,325—Aqua-Tech Company for tank cleaning and repairs at Strawberry
- \$3,085—BSK Associates for lab testing
- \$3,200—Data Clarifier Solutions LLC for monthly support services
- \$6,656—El Dorado Co Transportation Department for Utility Encroachment Fee
- \$6,722—Holt of California for equipment rental – Generator
- \$14,666—Pioneer Americas LLC for Sodium Hypochlorite for Reservoir A
- \$15,884—Sterling Water Technologies, LLC for Orthophosphate for Reservoir A

Wastewater Operations (Fund 410)

- \$74,869—Celadon Holdco, LLC for solar electric service at EDHWWTP and DCWWTP
- \$4,464—Flow-Line Technology, Inc for ABS bottom Plate
- \$3,698—Grainger for adapters, couplings, beverage cooler, nozzle gaskets, and various safety signs

Recycled Water Operations (Fund 510) – none to report

Hydroelectric Operations (Fund 610) – none to report

Recreation Operations (Fund 710)

- \$19,784—Talmo & Associates, Inc. for temporary labor at Sly Park Recreation

Capital Improvement Projects (Construction Funds 140, 340, 440, 540, 640 and 740)

- \$12,724—B&M Builders, Inc. for concrete service – Water Service Line Replacement (Project 24002.01)
- \$6,425—BT Consulting, Inc. for on-call services:
 - >Project #23026.01 – Echo Conduit Emergency Repairs (\$225)
 - >Project #22030.01 – Flume 47A Replacement (\$600.00)
 - >Project #21079.01 – Sly Park Intertie Improvements (\$5600)
- \$6,350—Domenichelli and Associates Inc. for design services Motherlode Force Main (Project #21081.01)
- \$7,513—Downey Brand, LLP for legal counsel services – Flume 45 Abutment Replacement (Project #17025.01)
- \$52,805—El Dorado Co Transportation Department for utility encroachment fee
 - >Project #18040.01 – Forebay Rd Waterline Replacement (\$7,201)
 - >Project #21079.01 – Sly Park Intertie Improvements (\$1,298)
 - >Project #21081.01 – Motherlode Force Main Phase 1(\$44,306)
- \$30,410—Ferguson Enterprises, LLC for material – Bar J LS Pipe Replacement Project (Project #24018.09)
- \$32,950—Geocon Consultants, Inc. for construction observation and testing services (Project #21081.01)
- \$3,656—Hastie’s Capitol Sand and Gravel Co. for aggregate and cut back rock (Project #24002.01)
- \$15,415—Kleinfelder, Inc. for water quality and mussel Monitoring
 - >Project #06021H.01 – FERC C37.8 Water Temp (\$3,772)
 - >Project #07003H.01 – FERC C37.9 Water Quality (\$11,643)
- \$9,350—Peterson Brustad, Inc. for engineering services during construction – FERC C50.1 Silver Lake Well (Project #0602h.01)
- \$3,799—Roberson-Bryan, Inc. for regulatory permitting
 - >Project #STUDY22.01 – EDHWWTP NPDES Study (\$2,381)
 - >Project #STUDY23.01 – DCWWTP NPDES Study (\$1,418)
- \$6,212—Water Works Engineers, LLC for Engineering Design – 2024 Collections Re-habitation (Project # 24008.01)

Executive Summary for September 10, 2024 -- \$571,109.80:

This summary highlights significant disbursements made by major business activity:

Development Services (Fund 105) – none to report

General District Operations (Fund 110)

- \$20,801—Aqua Metric Sales Company for water meters
- \$3,743—Central Valley Eng. & Asphalt for a credit balance refund on customer account
- \$3,031—Grainger for warehouse inventory
- \$29,674—Hunt & Sons, LLC for cardlock fuel and fuel deliveries at various locations
- \$3,613—The New Home Company for a credit balance refund on customer account

Engineering Operations (Fund 210)

- \$13,200—Dudek for biological study services

Water Operations (Fund 310)

- \$9,850—Aqua-Tech Company for reservoir cleaning and repair services
- \$4,322—Grainger for gloves, emergency lighting, valves, couplings, repair kits and other miscellaneous operating supplies
- \$269,471—PG&E for electric service

Wastewater Operations (Fund 410)

- \$51,158—Doug Veerkamp General Engineering, Inc. for excavation services
- \$3,398—Grainger for sports drinks, rust remover, a sprayer, respirators, a trolley and sockets

Recycled Water Operations (Fund 510) – none to report

Hydroelectric Operations (Fund 610)

- \$4,260—Hunt & Sons, Inc. for hydraulic oil
- \$3,208—Landmark Environmental, Inc. for registered forester services

Recreation Operations (Fund 710) – none to report

Capital Improvement Projects (Construction Funds 140, 340, 440, 540, 640 and 740)

- \$79,304—Green Dream International, LLC for crushed rock – FERC: C57 Transportation System Management Plan (Project #07030H.01)
- \$46,263—ICM Group, Inc. for construction management and inspection services – Motherlode Force Main Replacement Program (Project #21081.01)

EL DORADO IRRIGATION DISTRICT

SUBJECT: Consider adopting a resolution authorizing the issuance of not to exceed \$75,000,000 aggregate principal amount of revenue certificates of participation and approving the execution and delivery of certain documents in connection therewith and certain other matters.

PREVIOUS BOARD ACTION

The Board previously authorized the 2003A and 2003B Certificates of Participation, the 2004A and 2004B refinancing Certificates of Participation, 2008A Adjustable Rate Revenue Certificates of Participation, 2009A Revenue Certificates of Participation, 2010A Revenue Certificates of Participation, 2014A Refunding Revenue Bonds, 2016A Refunding Revenue Bond, 2016B Certificates of Participation, 2016C Refunding Revenue Bonds, 2020A Certificates of Participation, 2020B Refunding Revenue Bonds, 2020C and 2020D taxable Refunding Revenue Bonds, and 2022A taxable Refunding Revenue Bonds.

October 23, 2023 – Board adopted the 2024–2028 Capital Improvement Plan, subject to available funding.

December 11, 2023 – Board adopted the 2023–2024 Mid-Cycle Operating Budget and 2024–2028 Financial Plan.

April 8, 2024 – Board adopted Resolution No. 2024-007, declaring the intent to issue tax-exempt obligations in the reasonably expected maximum principal amount of \$70 million for acquiring certain public facilities and improvements.

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

BP 3050 Financial Condition and Activities

AR 3051 Budget Principles

SUMMARY OF ISSUE

District staff and the financing team recommend that the District issue Certificates of Participation ("COPs") in the approximate amount of \$75,000,000 (hereafter referred to as the "2024A COPs") to fund certain capital improvement projects for the Water System (collectively, the "Project"), including Sly Park Intertie improvements, El Dorado Hills Water Treatment Plant Improvements, various water storage tank and flume replacements, and Reservoir 1 water treatment plant improvements. Certain such costs have previously been paid by the District, and a portion of the proceeds of the 2024A Certificates are expected to be used to reimburse the District for such prior expenditures. Financing the listed capital improvement projects by issuing debt is appropriate to provide generational equity among District ratepayers who will benefit from the long expected life of these projects.

The proposed resolution will authorize the District to issue the 2024A COPs and allow the General Manager to authorize the execution and delivery of the transaction documents, allow final revisions to the draft transaction documents, appoint a trustee to receive the 2024A COPs' proceeds and give the General Manager authority to take other actions necessary or desirable to consummate the issuance.

BACKGROUND/DISCUSSION

2024A Certificates of Participation

Proceeds derived from the sale of the 2024A COPs will fund the following capital improvement projects: Sly Park Intertie improvements, El Dorado Hills Water Treatment Plant Improvements, various water storage tank and flume replacements, and Reservoir 1 water treatment plant improvements. Once complete, the life expectancy for each project ranges from 30 to 50 years. Consequently, it is appropriate to finance these projects using debt proceeds, which helps to avoid a rate shock of requiring our existing customers to pay the entire costs and allowing future customers, who will also benefit from the projects' long life expectancy, to help shoulder some of their costs.

In a related action, the Board adopted Resolution 2024-007 on April 8, 2024, declaring its intent to issue tax-exempt obligations. The purpose of adopting the resolution was to enable reimbursement for capital expenditures from the date of adoption of the first resolution (April 8, 2024) to the date of issuance of the new debt. This document remains in force with respect to the current financing contemplated.

Although the adopted 5-year financial plan reflects a bond sale of \$60 million, current estimates to complete the listed projects reflect the need for a bond issue of \$70 million. Current estimates for this transaction show the District can issue about \$64 million of 5% interest rate bonds with a \$6.5 million premium, netting approximately \$70 million after costs. The resolution reflects a higher debt issue amount than the \$70 million in the analysis above to allow for pricing day adjustments to obtain the needed construction funds.

The District currently expects to receive all necessary environmental and other approvals in connection with the Project in a timely manner and consistent with its expenditure of the 2024A COPs proceeds described above.

The resolution that authorizes the issuance of the 2024A COPs includes the following draft transaction documents:

Installment Purchase Agreement: This document is the contract between EID and the El Dorado Irrigation District Financing Corporation and confirms the existing financial covenants for the benefit of the owners of the 2024A COPs.

Trust Agreement: This document is an agreement between U.S. Bank Trust Company, N.A (U.S. Bank), as Trustee, EID, and the EID Financing Corporation and sets forth the terms, conditions, and covenants applicable to the 2024A COPs.

Preliminary Official Statement: This document describes all relevant details of the participants, the issue, outstanding debt of the District, and the purpose of the issue. The Preliminary Official Statement is not only a marketing document; it is also a disclosure document that the District must ensure is accurate and complete in all material respects. Each Board member should review this document and provide comments as they deem appropriate so that District staff and bond counsel may assess whether the comments necessitate changes to be incorporated into a revised Preliminary Official Statement and/or the final Official Statement.

Continuing Disclosure Certificate: This document describes the federal reporting requirements for the duration of the 2024A COPs.

Purchase Contract: This agreement between the District and J.P. Morgan will memorialize the principal amounts and interest rate on the 2024A COPs upon sale and prior to closing.

Good Faith Estimates: This document 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 (principal and interest).

Meeting of the Financing Corporation

It will also be necessary to adjourn the meeting of the District and open a meeting of the El Dorado Irrigation District Financing Corporation. The Board of the Financing Corporation will resolve to authorize the preparation, sale, and delivery of the 2024A COPs; approve the necessary documents and authorize their execution and delivery in substantially the form presented, with such changes as may be recommended by counsel; and authorize other actions needed to effectuate the transactions.

BOARD OPTIONS

Option 1: Adopt a resolution authorizing the issuance of not to exceed \$75,000,000 aggregate principal amount of revenue certificates of participation and approving the execution and delivery of certain documents in connection therewith and certain other matters.

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

Option 3: Take no action.

RECOMMENDATION

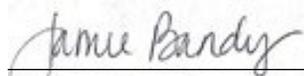
Option 1

ATTACHMENTS

Attachment A: New Money Certificates of Participation Series 2024A

Proposed resolution with the following exhibits:

- Installment Purchase Agreement
- Trust Agreement
- Preliminary Official Statement
- Continuing Disclosure Certificate
- Purchase Contract
- Good Faith Estimates



Jamie Bandy
Finance Director



Brian Poulsen
General Counsel



Jim Abercrombie
General Manager

RESOLUTION NO. 2024-__

RESOLUTION OF THE EL DORADO IRRIGATION DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY OF NOT TO EXCEED \$75,000,000 REVENUE CERTIFICATES OF PARTICIPATION AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS

WHEREAS, the El Dorado Irrigation District (the “District”), an irrigation district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the “State”), proposes to undertake the acquisition of certain facilities;

WHEREAS, the Board has determined that it would be in the best interest of the District and the residents and ratepayers in the District to cause the El Dorado Irrigation District Financing Corporation to cause revenue certificates of participation (the “Certificates”) to be executed and delivered to assist the District in acquiring such facilities and to approve certain documents in connection therewith; and

WHEREAS, adoption of this resolution to authorize execution of the agreements and documents described herein and implementation of actions necessary to accomplish the intention of this resolution is not a project pursuant to California Environmental Quality Act (“CEQA”) Guidelines Section 15378(b)(4) as it involves government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; thus, it is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

NOW, THEREFORE, the Board of Directors of the El Dorado Irrigation District does hereby resolve as follows:

1. The Installment Purchase Agreement, in substantially the form attached hereto as Exhibit A, is hereby approved. Each of the President or Vice President of the Board or the General Manager or the written designee of any of the foregoing (each an “Authorized Officer” and together the “Authorized Officers”) is hereby individually authorized and directed to execute and deliver the Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by General Counsel or by the District’s special counsel, Stradling Yocca Carlson & Rauth LLP (“Bond Counsel”), and approved by such Authorized Officer executing the same, said execution being conclusive evidence of such approval.

2. The Trust Agreement, in substantially the form attached hereto as Exhibit B is hereby approved. Each Authorized Officer is individually authorized and directed to execute and deliver the Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by General Counsel or by Bond Counsel, and approved by such Authorized Officer executing the same, said execution being conclusive evidence of such approval.

3. The preparation, sale and delivery by the El Dorado Irrigation District Financing Corporation of one or more series of Certificates in the aggregate principal amount not to exceed \$75,000,000 in accordance with the terms and provisions of the Trust Agreement is hereby approved.

The purposes for which the proceeds of the sale of the Certificates shall be expended are to acquire certain facilities for the District as described in the Installment Purchase Agreement, to fund a reserve fund for the Certificates, if required, and to pay the costs of delivery of the Certificates.

4. The preparation and distribution of the Preliminary Official Statement relating to the Certificates, in substantially the form attached hereto as Exhibit C, is hereby approved. Each Authorized Officer is individually authorized to make such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 relating to the Preliminary Official Statement. Upon execution of such certificate, the underwriter referenced below is authorized to distribute the Preliminary Official Statement to potential purchasers of the Certificates. Each Authorized Officer is individually authorized and directed to execute, approve and deliver the final Official Statement in the form of the Preliminary Official Statement with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel, and approved by such Authorized Officer executing the same, said execution being conclusive evidence of such approval. Such underwriter is directed to deliver copies of the final Official Statement to all actual purchasers of the Certificates.

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

6. The Purchase Contract relating to the Certificates with J.P. Morgan Securities LLC, as underwriter, in substantially the form attached hereto as Exhibit E, is hereby approved. Each Authorized Officer is individually authorized and directed to execute and deliver the Purchase Contract with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel, and approved thereby, said execution being conclusive evidence of such approval; provided however, that the underwriting discount shall not exceed 0.30 of 1%.

7. U.S. Bank Trust Company, National Association is hereby appointed to act as trustee under the Trust Agreement with respect to the Certificates.

8. The Board hereby authorizes the Authorized Officers, acting singly, to select a municipal bond insurer to insure payments of interest with respect to and principal of all or a portion of the Certificates so long as the Authorized Officer determines that obtaining the municipal bond insurance policy provided thereby will result in a lower interest rate or yield to maturity with respect to such Certificates. Bond Counsel is hereby directed to make all changes to the Trust Agreement, the Installment Purchase Agreement, the Purchase Contract, the Continuing Disclosure Certificate, the Preliminary Official Statement, the final Official Statement and other related documents as are necessary to reflect the selection of such municipal bond insurer and the reasonable comments thereof.

9. The Board hereby authorizes the Authorized Officers, acting singly, to select a municipal bond insurer to provide a reserve fund surety bond to be deposited into the reserve fund for the Certificates, so long as the Authorized Officer determines that obtaining the reserve fund surety will be cost effective to the District. Each Authorized Officer is hereby authorized to execute and

deliver any customary agreement with the municipal bond insurer providing the reserve fund surety bond. Bond Counsel is hereby directed to make all changes to the Trust Agreement, the Installment Purchase Agreement, the Purchase Contract, the Continuing Disclosure Certificate, the Preliminary Official Statement, the final Official Statement and other related documents as are necessary to reflect the selection of such municipal bond insurer and the reasonable comments thereof.

10. The Authorized Officers, the Finance Director 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 the Trust Agreement, the Installment Purchase Agreement, the Purchase Contract, the Continuing Disclosure Certificate, the Preliminary Official Statement or the final Official Statement.

11. The Board of Directors acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in Exhibit F attached to this Resolution and are available to the public at the meeting at which this Resolution is approved.

12. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given to such terms in the Trust Agreement and Installment Purchase Agreement, unless the context otherwise clearly requires.

13. This resolution shall take effect immediately.

The foregoing Resolution was introduced at a meeting of the Board of Directors of the EL DORADO IRRIGATION DISTRICT, held on the 23rd day of September 23, 2024, 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.

Alan Day
President, Board of Directors of
EL DORADO IRRIGATION DISTRICT

ATTEST:

Jennifer Sullivan
Clerk to the Board

(SEAL)

INSTALLMENT PURCHASE AGREEMENT

by and between

EL DORADO IRRIGATION DISTRICT

and

EL DORADO IRRIGATION DISTRICT FINANCING CORPORATION

Dated as of October 1, 2024

Relating to

\$ _____
EL DORADO IRRIGATION DISTRICT
REVENUE CERTIFICATES OF PARTICIPATION,
SERIES 2024A

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INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT, made and entered into as of October 1, 2024 by and between EL DORADO IRRIGATION DISTRICT, an irrigation district duly organized and existing under and by virtue of the laws of the State of California (the “District”), and EL DORADO IRRIGATION DISTRICT FINANCING CORPORATION, a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the “Corporation”).

WITNESSETH:

WHEREAS, the District proposes to finance certain facilities within its Water System and Wastewater System described in Exhibit A (the “Project”);

WHEREAS, the Corporation has agreed to assist the District in financing the Project for the District on the terms and conditions set forth in this Agreement;

WHEREAS, the District is authorized by Division 11 of the Water Code of the State of California, including but not limited to Section 22425, to acquire property for its Water System and Wastewater System and by Division 11 of the Water Code of the State of California, including but not limited to Sections 22500 and 24252, to sell property comprising its Water System and Wastewater System;

WHEREAS, the District and the Corporation have duly authorized the execution of this Agreement;

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Installment Purchase Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Installment Purchase Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein. Unless the context otherwise requires, all capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Trust Agreement.

2014A Bonds

The term “2014A Bonds” means El Dorado Irrigation District Refunding Revenue Bonds, Series 2014A.

2016C Bonds

The term “2016C Bonds” means the El Dorado Irrigation District Refunding Revenue Bonds, Series 2016C.

2016B Installment Purchase Agreement

The term “2016B Installment Purchase Agreement” means the Installment Purchase Agreement, dated as of June 1, 2016, by and between the District and the Corporation, as originally executed and as it may from time-to-time be amended or supplemented in accordance therewith.

2020 Bonds

The term “2020 Bonds” means the El Dorado Irrigation District Refunding Revenue Bonds, Taxable Series 2020B, Taxable Series 2020C and Taxable Series 2020D.

2020A Installment Purchase Agreement

The term “2020A Installment Purchase Agreement” means the Installment Purchase Agreement, dated as of June 1, 2020, by and between the District and the Corporation, as originally executed and as it may from time-to-time be amended or supplemented in accordance therewith.

2022 Bonds

The term “2022 Bonds” means the El Dorado Irrigation District Refunding Revenue Bonds, Series 2022A.

2024 Certificates

The term “2024 Certificates” means the El Dorado Irrigation District Revenue Certificates of Participation, Series 2024A.

Accountant’s Report

The term “Accountant’s Report” means a report signed by an Independent Certified Public Accountant.

Acquisition Fund

The term “Acquisition Fund” means the Acquisition Fund by that name created pursuant to Section 3.5 hereof.

Agreement

The term “Agreement” means this Installment Purchase Agreement, by and between the District and the Corporation, dated as of October 1, 2024, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

Assignment Agreement

The term “Assignment Agreement” means the Assignment Agreement, by and between the Corporation and the Trustee, dated as of October 1, 2024, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

Bonds

The term “Bonds” means all revenue bonds or notes of the District authorized, executed, issued and delivered by the District, the payments of which are payable from Net Revenues on a parity with the Installment Payments and which are secured by a pledge of and lien on Revenues as described in Section 5.1 hereof, including the 2014A Bonds, 2016C Bonds, 2020 Bonds and 2022 Bonds.

Business Day

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

Certificates

The term “Certificates” means the \$_____ aggregate principal amount of El Dorado Irrigation District Revenue Certificates of Participation, Series 2024A, executed and delivered on behalf of the District and at any time Outstanding pursuant to the Trust Agreement.

Closing Date

The term “Closing Date” means the date on which the Certificates are executed and delivered to the original purchaser thereof.

Continuing Disclosure Certificate

The term “Continuing Disclosure Certificate” means the Continuing Disclosure Certificate (2024A Certificates), dated the Closing Date, of the District, as originally executed and as it may be from time to time amended or supplemented in accordance with its terms.

Contracts

The term “Contracts” means and is limited to all contracts of the District previously or hereafter authorized and executed by the District and the Parity Installment Payments which are on a parity with the Installment Payments and which are secured by a pledge and lien on the Revenues as described in Section 5.1 hereof, the 2016B Installment Purchase Agreement and the 2020A

Installment Purchase Agreement, but excluding contracts entered into for operation and maintenance of the Water System or Wastewater System.

Corporation

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

Date of Operation

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

Debt Service

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

- (1) the interest accruing during such period on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are prepaid or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized);
- (2) those portions of the principal amount of all outstanding serial Bonds maturing in such period, excluding Excluded Principal;
- (3) those portions of the principal amount of all outstanding term Bonds required to be prepaid or paid in such period, excluding Excluded Principal; and
- (4) those portions of the Contracts required to be made during such period, (except to the extent the interest evidenced and represented thereby is capitalized and excluding Excluded Principal);

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

provided that, as to any such Bonds or Contracts bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to bear interest at a fixed rate equal to the higher of:

- (i) the then current variable interest rate borne by such Bonds or Contracts plus 1%, and
- (ii) if such Bonds or Contracts have been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, or if such Bonds or Contracts have not been outstanding for the twelve prior months, the average rate borne by reference to an index

comparable to that to be utilized in determining the interest rate for the Bonds to be issued or the Contracts to be executed;

provided further that if any series or issue of such Bonds or Contracts have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year, Debt Service shall be determined for the period of determination as if the principal of and interest on such series or issue of such Bonds or Contracts were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation; and

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

provided further that if the Bonds or Contracts constitute paired obligations, the interest rate on such Bonds or Contracts shall be the resulting linked rate or the effective fixed interest rate to be paid by the District with respect to such paired obligations; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds and Contracts for which such debt service reserve fund was established and to the extent the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each preceding year, in descending order, until such amount is exhausted.

District

The term “District” means El Dorado Irrigation District, an irrigation district duly organized and existing under and by virtue of the laws of the State of California.

Event of Default

The term “Event of Default” means any of the events specified in Section 8.1.

Excluded Principal

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

Fiscal Year

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

Independent Certified Public Accountant

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

Independent Municipal Advisor

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

Installment Payment Date; Parity Installment Payment Date

The term “Installment Payment Date” means the fifth day prior to each Interest Payment Date, or if said date is not a Business Day, then the preceding Business Day. The term “Parity Installment Payment Date” means each date on which Parity Installment Payments are scheduled to be paid by the District under and pursuant to any Contract.

Installment Payments; Parity Installment Payments

The term “Installment Payments” means the installment payments of interest and principal scheduled to be paid by the District under and pursuant hereto. The term “Parity Installment Payments” means the payments of interest and principal scheduled to be paid by the District under and pursuant to the Contracts.

Interest Payment Date

The term “Interest Payment Date” means each March 1 and September 1, commencing [March 1, 2025].

Law

The term “Law” means the Irrigation District Law of the State of California (being Division 11 of the Water Code of the State of California, as amended) and all laws amendatory thereof or supplemental thereto.

Manager

The Term “Manager” means the General Manager of the District, or any other person designated by the General Manager to act on behalf of the General Manager.

Net Proceeds

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

Net Revenues

The term “Net Revenues” means, for any Fiscal Year, the Revenues for such Fiscal Year less the Operation and Maintenance Costs for such Fiscal Year.

Net Wastewater System Revenues

The term “Net Wastewater System Revenues” means for any Fiscal Year, the Wastewater System Revenues for such Fiscal Year less the Operation and Maintenance Costs allocable to the Wastewater System.

Net Water System Revenues

The term “Net Water System Revenues” means for any Fiscal Year, the Water System Revenues for such Fiscal Year less the Operation and Maintenance Costs allocable to the Water System.

Operation and Maintenance Costs

The term “Operation and Maintenance Costs” means (i) costs spent or incurred for maintenance and operation of the Water System and Wastewater System calculated in accordance with generally accepted accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Water System and Wastewater System in good repair and working order, and including administrative costs of the District that are charged directly or apportioned to the Water System and Wastewater System, including but not limited to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys, consultants or engineers and insurance premiums, and including all other reasonable and necessary costs of the District or charges (other than Debt Service) required to be paid by it to comply with the terms of this Agreement or any other Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds and (ii) all costs of water purchased or otherwise acquired for delivery by the Water System (including any interim or renewed arrangement therefor), but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature, including but not limited to prior period adjustments or restatements made in subsequent periods which would not have affected the District’s statements of revenues, expenses and changes in net position.

Parity Project

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

Participating Underwriter

The term “Participating Underwriter” has the meaning ascribed thereto in the Continuing Disclosure Certificate.

Project

The term “Project” means certain facilities within the Water System and Wastewater System of the District described in Exhibit A herein.

Purchase Price

The term “Purchase Price” means the principal amount plus interest thereon owed by the District to the Corporation under the terms hereof as provided in Section 4.1.

Revenue Fund

The term “Revenue Fund” means enterprise funds Water (310), Wastewater (410), Recycled Water (510), Hydroelectric (610), and Recreation (710), together with other accounts in existence which Revenues are deposited or created in the future by the Board of Directors into which Revenues will be deposited and continued pursuant to Section 5.2.

Revenues

The term “Revenues” means (i) Water System Revenues, (ii) Wastewater System Revenues, and (iii) other revenues received by the District, as determined by generally accepted accounting principles, including, without limiting the generality of the foregoing, (a) all amounts, if and to the extent received by the District as its share of the 1% *ad valorem* property tax not allocated by the Board of Directors of the District to the Water System Revenues or the Wastewater System Revenues, plus (b) the earnings on and income derived from the investment of the amounts described in clause (a) hereof and the general unrestricted funds of the District,

but excluding in all cases customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District, and excluding any proceeds of taxes restricted by law to be used by the District to pay obligations of the District other than Bonds or Contracts.

State

The term “State” means the State of California.

Trust Agreement

The term “Trust Agreement” means the Trust Agreement, dated as of October 1, 2024, by and among the District, the Corporation and the Trustee, relating to the Certificates, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

Wastewater Service

The term “Wastewater Service” means the wastewater treatment service and reclaimed water sales made available or provided by the Wastewater System.

Wastewater System

The term “Wastewater System” means the whole and each and every part of the wastewater treatment and recycled water system of the District, including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to such wastewater treatment system or any part thereof hereafter acquired or constructed.

Wastewater System Revenues

The term “Wastewater System Revenues” means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Wastewater System, determined in accordance with generally accepted accounting principles, including, without limiting the generality of the foregoing,

- (1) all income, rents, rates, fees, charges, business interruption insurance proceeds or other moneys derived by the District from the furnishing of wastewater treatment, provision of recycled water or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Wastewater System, plus
- (2) the facility capacity charges or similar charges related to the Wastewater System, plus
- (3) for any Fiscal Year, the amount of 1% *ad valorem* property tax allocated by the Board of Directors of the District to the Wastewater System Revenues, if and to the extent received and so allocated by the District, plus
- (4) the earnings on and income derived from the investment of the amounts described in clauses (1), (2) and (3) hereof,

but excluding in all cases customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District, and excluding any proceeds of taxes restricted by law to be used by the District to pay obligations of the District other than Bonds or Contracts.

Water Service

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

Water System

The term “Water System” means the whole and each and every part of the water system of the District, including District hydroelectric facilities, and including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to such water system and hydroelectric facilities or any part thereof hereafter acquired or constructed.

Water System Revenues

The term “Water System Revenues” means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Water System, determined in accordance with generally accepted accounting principles, including, without limiting the generality of the foregoing,

- (1) all income, rents, rates, fees, charges, business interruption insurance proceeds or other moneys derived by the District from the sale, furnishing and supplying of water, hydroelectric power or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Water System, plus
- (2) the proceeds of any stand-by or water availability charges, plus
- (3) the facility capacity charges or similar charges related to the Water System, plus
- (4) for any Fiscal Year, the amount of 1% *ad valorem* property tax allocated by the Board of Directors of the District to the Water System Revenues, if and to the extent received and so allocated by the District, plus
- (5) all income, rents, rates, fees, charges, business interruption insurance proceeds or other moneys derived by the District from the recreation facilities which are operational; plus
- (6) the earnings on and income derived from the investment of the amounts described in clauses (1), (2), (3), (4) and (5) hereof,

but excluding in all cases customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District, and excluding any proceeds of taxes restricted by law to be used by the District to pay obligations of the District other than Bonds or Contracts.

Written Consent of the Corporation or District, Written Order of the Corporation or District, Written Request of the Corporation or District, Written Requisition of the Corporation or District

The terms “Written Consent of the Corporation or District,” “Written Order of the Corporation or District,” “Written Request of the Corporation or District,” and “Written Requisition of the Corporation or District” mean, respectively, a written consent, order, request or requisition signed by or on behalf of (i) the Corporation by its President or a Vice President or (ii) the District by the President of its Board of Directors or its Manager or by the Secretary of its Board of Directors or

by any two persons (whether or not officers of the Board of Directors of the District) who are specifically authorized by resolution of the District to sign or execute such a document on its behalf.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations by the District. The District makes the following representations:

(a) The District is an irrigation district duly organized and existing under and pursuant to the laws of the State of California.

(b) The District has full legal right, power and authority to enter into this Agreement and carry out its obligations hereunder, to carry out and consummate all other transactions contemplated by this Agreement, and the District has complied with the provisions of the Law in all matters relating to such transactions.

(c) By proper action, the District has duly authorized the execution, delivery and due performance of this Agreement.

(d) The District will not take or, to the extent within its power, permit any action to be taken which results in the interest paid for the installment purchase of the Project under the terms of this Agreement being included in the gross income of the Certificate Owners or their assigns for purposes of federal or State of California income taxation.

(e) The District has determined that it is necessary and proper for District uses and purposes within the terms of the Law that the District sell the Project to the Corporation and acquire the Project, in the manner provided for in this Agreement.

Section 2.2 Representations and Warranties by the Corporation. The Corporation makes the following representations and warranties:

(a) The Corporation is a nonprofit public benefit corporation duly organized and in good standing under the laws of the State of California, has full legal right, power and authority to enter into this Agreement and to carry out and consummate all transactions contemplated by this Agreement and by proper action has duly authorized the execution and delivery and due performance of this Agreement.

(b) The execution and delivery of this Agreement and the consummation of the transactions herein contemplated will not violate any provision of law, any order of any court or other agency of government, or any indenture, material agreement or other instrument to which the Corporation is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Corporation.

(c) The Corporation will not take or permit any action to be taken which results in interest paid for the installment purchase of the Project under the terms of this Agreement being

included in the gross income of the Certificate Owners or their assigns for purposes of federal or State of California income taxation.

ARTICLE III

ACQUISITION OF THE PROJECT

Section 3.1 Purchase and Sale of the Project. In consideration for the Installment Payments as set forth in Section 4.2, the Corporation agrees to sell, and hereby sells, to the District, and the District agrees to purchase, and hereby purchases, from the Corporation the Project at the Purchase Price specified in Section 4.1 hereof and otherwise in the manner and in accordance with the provisions of this Agreement.

Section 3.2 Title. All right, title and interest in the Project shall vest in the District immediately upon acquisition or construction thereof. Such vesting shall occur without further action by the Corporation or the District and the Corporation shall, if requested by the District or if necessary to assure such automatic vesting deliver any and all documents required to assure such vesting.

Section 3.3 Acquisition and Construction of the Project. The Corporation hereby agrees to cause the Project, and any additions or modifications thereto, to be constructed, acquired or installed by the District as its agent, and the District shall enter into contracts and provide for, as agent of the Corporation, the complete construction, acquisition and installation of the Project. The District hereby agrees that it will cause the construction, acquisition and installation of the Project to be diligently performed after the deposit of funds with the Trustee pursuant to the Trust Agreement, upon satisfactory completion of design work and compliance with all environmental and other laws including, but not limited to, the California Environmental Quality Act and approval by the Board of Directors of the District, unforeseeable delays beyond the reasonable control of the District only excepted. It is hereby expressly understood and agreed that the Corporation shall be under no liability of any kind or character whatsoever for the payment of any cost of the Project and that all such costs and expenses shall be paid by the District, regardless of whether the funds deposited in the Acquisition Fund are sufficient to cover all such costs and expenses.

Section 3.4 Changes to the Project. The District may substitute other improvements for those listed as components of the Project in Exhibit A hereto, but only if the District first files with the Corporation and the Trustee a statement of the District:

(a) identifying the improvements to be deleted from such Exhibit and the improvements to replace such deleted improvements; and

(b) stating that the estimated costs of construction, acquisition and installation of the substituted improvements are not less than such costs for the improvements previously planned.

Section 3.5 Acquisition Fund. There is hereby established with the District the Acquisition Fund. The District shall deposit moneys received from the proceeds of the Certificates into the Acquisition Fund.

The moneys in the Acquisition Fund shall be held by the District in trust and moneys therein shall be applied to the payment of the costs of acquisition and construction of the Project, and of

expenses incidental thereto, including costs of delivering the Certificates. Before any payment is made from the Acquisition Fund by the Director of Finance of the District, the Manager of the District shall cause to be filed with the Director of Finance of the District a Written Requisition of the District in the form set forth in Exhibit C hereto.

Upon receipt of each such Written Requisition, the Director of Finance of the District will pay the amount set forth in such Written Requisition as directed by the terms thereof. The Director of Finance of the District need not make any such payment if it has received notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys to be so paid, which has not been released or will not be released simultaneously with such payment.

When the Project shall have been constructed and acquired in accordance with this Agreement, a statement of the District stating the fact and date of such acquisition, construction and acceptance and stating that all of such costs of acquisition and incidental expenses have been determined and paid (or that all of such costs and expenses have been paid less specified claims which are subject to dispute and for which a retention in the Acquisition Fund is to be maintained in the full amount of such claims until such dispute is resolved), shall be delivered to the Director of Finance of the District and the Trustee by the District. Upon the receipt of such statement, the Director of Finance of the District shall transfer any remaining balance in the Acquisition Fund and not needed for Acquisition Fund purposes (but less the amount of any such retention which amount shall be certified to the Director of Finance of the District by the District) to the Trustee which shall transfer such amounts to the Certificate Payment Fund for deposit by the Trustee in the Certificate Payment Fund.

ARTICLE IV

INSTALLMENT PAYMENTS

Section 4.1 Purchase Price.

(a) The Purchase Price to be paid by the District hereunder to the Corporation is the sum of the principal amount of the District's obligations hereunder plus the interest to accrue on the unpaid balance of such principal amount from the effective date hereof over the term hereof, subject to prepayment as provided in Article VII.

(b) The principal amount of the payments to be made by the District hereunder is set forth in Exhibit B hereto.

(c) The interest to accrue on the unpaid balance of such principal amount is as specified in Section 4.2 and Exhibit B hereto, and shall be paid by the District as and constitute interest paid with respect to the principal amount of the District's obligations hereunder.

Section 4.2 Installment Payments. The District shall, subject to any rights of prepayment provided in Article VII, pay the Corporation the Purchase Price in installment payments of interest and principal in the amounts and on the Installment Payment Dates as set forth in Exhibit B hereto.

Each Installment Payment shall be paid to the Corporation in lawful money of the United States of America. In the event the District fails to make any of the payments required to be made by it under this section, such payment shall continue as an obligation of the District until such amount

shall have been fully paid; and the District agrees to pay the same with interest accruing thereon at the rate or rates of interest then applicable to the remaining unpaid principal balance of the Installment Payments if paid in accordance with their terms.

Subject to Section 10.1 hereof, the obligation of the District to make the Installment Payments is absolute and unconditional, and until such time as the Purchase Price shall have been paid in full (or provision for the payment thereof shall have been made pursuant to Article IX), the District will not discontinue or suspend any Installment Payments required to be made by it under this section when due, whether or not the Water System, Wastewater System or any part thereof is operating or operable, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and whether or not the Project has been completed, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

ARTICLE V

SECURITY

Section 5.1 Pledge of Revenues. All Revenues and all amounts on deposit in the Revenue Fund are hereby irrevocably pledged to the payment of the Installment Payments as provided herein and the Revenues shall not be used for any other purpose while any of the Installment Payments remain unpaid; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted herein. This pledge, together with the pledge created by all other Contracts and Bonds, shall constitute a lien on Revenues and, subject to application of Revenues and all amounts on deposit in the Revenue Fund as permitted herein, the Revenue Fund and other funds and accounts created hereunder for the payment of the Installment Payments and all other Contracts and Bonds in accordance with the terms hereof and the Trust Agreement.

Section 5.2 Allocation of Revenues. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants that all Revenues shall be received by the District in trust hereunder and shall be deposited when and as received in a special fund designated as the "Revenue Fund," which fund is hereby continued and which fund the District agrees and covenants to maintain and to hold separate and apart from other funds so long as any Contracts or Bonds remain unpaid. Moneys in the Revenue Fund shall be used and applied by the District as provided in this Agreement.

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. Thereafter all remaining moneys in the Revenue Fund shall be applied by the District at the following times for the transfer to the following respective special funds in the following order of priority; 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 this Section.

(a) Installment Payments. Not later than each Installment Payment Date, the District shall, from the moneys in the Revenue Fund, transfer to the Trustee the Installment Payment due and payable on that Installment 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.

(b) Reserve Funds. On or before each Installment 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 Bonds or Contracts other than this Agreement, that sum, if any, necessary to restore such other reserve funds and/or accounts to an amount equal to such other reserve requirements.

(c) Surplus. Moneys on deposit in the Revenue Fund on any date when the District reasonably expects such moneys will not be needed for the payment of Operation and Maintenance Costs or for any of the purposes described in clauses (a) or (b) may be expended by the District at any time for any purpose permitted by law.

Section 5.3 Additional Contracts and Bonds. The District may at any time execute any Contract or issue any Bonds, as the case may be, in accordance herewith; provided:

(a) 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, 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 Debt Service for such Fiscal Year; and

(b) 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, 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 Debt Service for such Fiscal Year plus the Debt Service which would have accrued on any Contracts executed or Bonds issued since the end of such Fiscal Year assuming such Contracts had been executed or Bonds had been issued at the beginning of such Fiscal Year, plus the Debt Service which would have accrued had such Contract been executed or Bonds been issued at the beginning of such Fiscal Year; and

(c) 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 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 Manager on file with the District, shall produce a sum equal to at

least one hundred twenty-five percent (125%) 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.

Section 5.4 Investments. All moneys held by the District in the Revenue Fund and Acquisition Fund shall be invested in Permitted Investments and the investment earnings thereon shall remain on deposit in such fund, except as otherwise provided herein.

ARTICLE VI

COVENANTS OF THE DISTRICT

Section 6.1 Compliance with Installment Purchase Agreement and Ancillary Agreements. The District will punctually pay the Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not terminate this Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Corporation to observe or perform any agreement, condition, covenant or term contained herein required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected herewith or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Corporation or any force majeure, including acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lock outs, lack of transportation facilities, fire, explosion, or acts or regulations of governmental authorities.

It is expressly understood and agreed by and among the parties to this Agreement that, subject to Section 10.6 hereof, each of the agreements, conditions, covenants and terms contained in this Agreement is an essential and material term of the purchase of and payment for the Project by the District pursuant to, and in accordance with, and as authorized under the Law.

The District will faithfully observe and perform all the agreements, conditions, covenants and terms required to be observed and performed by it pursuant to all outstanding Contracts and Bonds as such may from time to time be executed or issued, as the case may be.

Section 6.2 Against Encumbrances. The District will not make any pledge of or place any lien on Revenues or the moneys in the Revenue Fund except as provided herein. The District

may at any time, or from time to time, execute Contracts or issue Bonds as permitted herein or incur evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of lien on Revenues on any moneys in the Revenue Fund as may from time to time be deposited therein, provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein.

Section 6.3 Against Sale or Other Disposition of Property. The District will not enter into any agreement or lease which impairs the operation of the Water System or Wastewater System or any part thereof necessary to secure adequate Revenues for the payment of the Installment Payments, or which would otherwise impair the rights of the Corporation hereunder or the operation of the Water System or Wastewater System. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Water System or Wastewater System, or any material or equipment which has become worn out, may be sold if such sale will not impair the ability of the District to pay the Installment Payments and if the proceeds of such sale are deposited in the Revenue Fund.

Nothing herein shall restrict the ability of the District to sell any portion of the Water System or Wastewater System if such portion is immediately repurchased by the District and if such arrangement cannot by its terms result in the purchaser of such portion of the Water System or Wastewater System exercising any remedy which would deprive the District of or otherwise interfere with its right to own and operate such portion of the Water System or Wastewater System.

Section 6.4 Against Competitive Facilities. To the extent permitted by law, the District covenants that it will not acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the District any water or wastewater system competitive with the Water System or Wastewater System.

Section 6.5 Tax Covenants. Notwithstanding any other provision of this Agreement, absent an opinion of Special Counsel that the exclusion from gross income of interest with respect to the Certificates will not be adversely affected for federal income tax purposes, the District and the Corporation covenant to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The District and the Corporation will not take or omit to take any action or make any use of the proceeds of the Certificates or of any other moneys or property which would cause the Certificates to be “private activity bonds” within the meaning of Section 141 of the Code.

(b) Arbitrage. The District and the Corporation will make no use of the proceeds of the Certificates or of any other amounts or property, regardless of the source, or take or omit to take any action which would cause the Certificates to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(c) Federal Guarantee. The District and the Corporation will make no use of the proceeds of the Certificates or take or omit to take any action that would cause the Certificates to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(d) Information Reporting. The District and the Corporation will take or cause to be taken all necessary action to comply with the informational reporting requirements of Section 149(e) of the Code.

(e) Hedge Bonds. The District and the Corporation will make no use of the proceeds of the Certificates or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Certificates to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the Certificates for federal income tax purposes.

(f) Miscellaneous. The District and the Corporation will take no action, or omit to take any action, inconsistent with the expectations stated in any Tax Certificate executed with respect to the Certificates and will comply with the covenants and requirements stated therein and incorporated by reference herein.

This Section and the covenants set forth herein shall not be applicable to, and nothing contained herein shall be deemed to prevent the District and the Corporation from executing and delivering Certificates, the interest with respect to which has been determined by Special Counsel to be subject to federal income taxation.

Section 6.6 Maintenance and Operation of the Water System and Wastewater System. The District will maintain and preserve the Water System and Wastewater System in good repair and working order at all times and will operate the Water System and Wastewater System in an efficient and economical manner and will pay all Operation and Maintenance Costs as they become due and payable.

Section 6.7 Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Revenues or the funds or accounts created hereunder or on any funds in the hands of the District pledged to pay the Installment Payments or to the Owners prior or superior to the lien of the Installment Payments or which might impair the security of the Installment Payments.

Section 6.8 Compliance with Contracts. The District will neither take nor omit to take any action under any contract if the effect of such act or failure to act would in any manner impair or adversely affect the ability of the District to pay Installment Payments when due; and the District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in all other contracts affecting or involving the Water System or Wastewater System, to the extent that the District is a party thereto.

Section 6.9 Insurance.

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

In the event of any damage to or destruction of the Water System or Wastewater System caused by the perils covered by such insurance, the Net Proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Water System or Wastewater System, respectively. The District shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such Net Proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Water System and Wastewater System shall be free and clear of all claims and liens.

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

(b) The District will procure and maintain such other insurance as it shall deem advisable or necessary to protect its interests and the interests of the Corporation, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with water and wastewater systems similar to the Water System and Wastewater System.

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

Section 6.10 Accounting Records; Financial Statements and Other Reports.

(a) The District will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the District, which records shall be available for inspection by the Corporation and the Trustee at reasonable hours and under reasonable conditions.

(b) The District will prepare and file with the Corporation and the Trustee annually within two hundred seventy (270) days after the close of each Fiscal Year (commencing with the Fiscal Year ending December 31, 2024) financial statements of the District for the preceding

Fiscal Year prepared in accordance with generally accepted accounting principles, together with an Accountant's Report thereon.

Section 6.11 Protection of Security and Rights of the Corporation. The District will preserve and protect the security hereof and the rights of the Corporation to the Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 6.12 Payment of Taxes and Compliance with Governmental Regulations. The District will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Water System, Wastewater System, or any part thereof or upon the Revenues when the same shall become due. The District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Water System, Wastewater System, or any part thereof, but the District shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

Section 6.13 Amount of Rates and Charges.

(a) To the fullest extent permitted by law, the District shall 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 twenty-five percent (125%) of Debt Service for such Fiscal Year allocable to the Water System.

(b) To the fullest extent permitted by law, the District shall 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 twenty-five percent (125%) of Debt Service for such Fiscal Year allocable to the Wastewater System.

(c) The District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Water System Revenues or Net Wastewater System Revenues, as applicable, from such reduced rates and charges are reasonably expected to be sufficient to meet the requirements of this section.

(d) For avoidance of doubt, so long as the District has complied with its obligations set forth in subsection (a) and (b) above, the failure of Net Water System Revenues or Net Wastewater System Revenues to meet the thresholds set forth in Section 6.13(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 Section 6.13(a) and (b) at the commencement of the succeeding Fiscal Year.

Section 6.14 Collection of Rates and Charges. The District will have in effect at all times by-laws, rules and regulations requiring each customer to pay the rates and charges applicable to the Water Service and Wastewater Service and providing for the billing thereof and for a due date and a delinquency date for each bill.

Section 6.15 Eminent Domain Proceeds. If all or any part of the Water System or Wastewater System shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

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

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied by the District in part to the prepayment of Installment Payments as provided in Article VII and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion which the aggregate unpaid principal balance of Installment Payments then bears to the aggregate unpaid principal amount of such Bonds and Contracts.

Section 6.16 Further Assurances. The District will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Corporation of the rights and benefits provided to it herein.

Section 6.17 Enforcement of Contracts. The District will not voluntarily consent to or permit any rescission of, nor will it consent to any amendment to or otherwise take any action under or in connection with any contracts previously or hereafter entered into if such rescission or amendment would in any manner impair or adversely affect the ability of the District to pay Installment Payments.

Section 6.18 Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Agreement, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Owner of Certificates or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificate for federal income tax purposes.

ARTICLE VII

PREPAYMENT OF INSTALLMENT PAYMENTS

Section 7.1 Prepayment.

(a) The District may or shall, as the case may be, prepay from the Net Proceeds as provided herein on any date, all or any part on any Installment Payment Date, of the principal amount of the unpaid Installment Payments at a prepayment price equal to the sum of the principal amount prepaid plus accrued interest thereon to the date of prepayment.

(b) The District may prepay the Installment Payments maturing on March 1, 20__ either in inverse order of maturity or pro rata among maturities, as a whole or in part, or as otherwise selected by the District, on any date on or after September 1, 2034 from any available funds. The principal amount of the unpaid Installment Payments is payable at a prepayment price equal to the principal amount of the Installment Payments to be prepaid plus accrued interest thereon to the date of prepayment without premium.

(c) Notwithstanding any such prepayment, the District shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price shall have been fully paid (or provision for payment thereof shall have been provided to the written satisfaction of the Corporation).

Section 7.2 Method of Prepayment. Before making any prepayment pursuant to Section 7.1(a), the District may, within five (5) days following the event permitting the exercise of such right to prepay or creating such obligation to prepay, give written notice to the Corporation and the Trustee describing such event and specifying the date on which the prepayment of the Certificates will be paid, which date shall be not less than thirty (30) days from the date such notice is given, unless such prepayment must occur on an Interest Payment Date, in which case such date shall be the next Interest Payment Date with respect to which notice of prepayment may be timely given pursuant to the Trust Agreement.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE CORPORATION

Section 8.1 Events of Default and Acceleration of Maturities. If one or more of the following Events of Default shall happen, that is to say --

(a) if default shall be made by the District in the due and punctual payment of the principal with respect to any Installment Payments when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for prepayment, by acceleration, or otherwise;

(b) if default shall be made by the District in the due and punctual payment of the interest with respect to any Installment Payments when and as the same shall become due and payable;

(c) if default shall be made by the District in the observance of any of the other covenants, agreements or conditions on its part in the Agreement if such default shall have continued for a period of thirty (30) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the District by the Trustee or by the Owners of not less than a majority in aggregate principal amount of Certificates Outstanding; provided, however, that if in the reasonable opinion of the District the default stated in the notice can be corrected, but not within such thirty (30) day period and corrective action is instituted by the District within such thirty (30) day period and diligently pursued in good faith until the default is corrected, such default shall not be an Event of Default hereunder;

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

(e) if payment of the principal of any Contract or Bond is accelerated in accordance with its terms;

then and in each and every such case during the continuance of such Event of Default specified in clauses (d) and (e) above, the Corporation shall, and for any other such Event of Default the Corporation may, upon notice in writing to the District, declare the entire principal amount of the unpaid Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding. This subsection however, is subject to the condition that if at any time after the entire principal amount of the unpaid Installment Payments and the accrued interest thereon shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered the District shall deposit with the Corporation a sum sufficient to pay the unpaid principal amount of the Installment Payments and/or the unpaid payment of any other Contract or Bond referred to in clause (a) above due prior to such declaration and the accrued interest thereon, with interest on such overdue installments, at the rate or rates applicable to the remaining unpaid principal balance of the Installment Payments or such Contract or Bond if paid in accordance with their terms, and the reasonable expenses of the Corporation, and any and all other defaults known to the Corporation (other than in the payment of the entire principal amount of the unpaid Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Corporation or provision deemed by the Corporation to be adequate shall have been made therefor, then and in every such case the Corporation by written notice to the District, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 8.2 Application of Funds Upon Acceleration. Upon the date of the declaration of acceleration as provided in Section 8.1, all Revenues thereafter received shall be applied in the following order -

First, to the payment, without preference or priority, and in the event of any insufficiency of such Revenues ratably without any discrimination or preference, of the fees, costs and expenses of the Corporation and Trustee, including reasonable compensation to its accountants and counsel, pursuant to Section 8.4 of the Trust Agreement;

Second, to the payment of the Operation and Maintenance Costs; and

Third, to the payment of the entire principal amount of the unpaid Installment Payments and the unpaid principal amount of all Bonds and Contracts and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the Installment Payments and such Bonds and Contracts if paid in accordance with their respective terms, in the following order of priority:

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

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

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

Section 8.3 Other Remedies of the Corporation. The Corporation shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District or any director, officer or employee thereof, and to compel the District or any such director, officer or employee to perform and carry out its or his duties under the Law and the agreements and covenants required to be performed by it or him contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Corporation; or

(c) by suit in equity upon the happening of an Event of Default to require the District and its directors, officers and employees to account as the trustee of an express trust.

Notwithstanding anything contained herein, the Corporation shall not have a security interest in or mortgage on the Project, the Water System or Wastewater System or other assets of the District, and no default hereunder shall result in the loss of the Project, the Water System or Wastewater System or other assets of the District.

Section 8.4 Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the Installment Payments to the Corporation at the respective due dates or upon prepayment from the Net Revenues, the Revenue Fund and the other funds herein pledged for such payment, or shall affect or impair the right of the Corporation, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Corporation shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Corporation to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Corporation by the Law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Corporation.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned, the District and the Corporation shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 8.5 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

If any remedial action is discontinued or abandoned, the Trustee and Certificate Owners shall be restored to their former positions.

ARTICLE IX

DISCHARGE OF OBLIGATIONS

Section 9.1 Discharge of Obligations.

(a) When all or any portion of the Installment Payments shall have become due and payable in accordance herewith or a written notice of the District to prepay all or any portion of the Installment Payments shall have been filed with the Trustee; and

(b) there shall have been deposited with the Trustee at or prior to the Installment Payment Dates or date (or dates) specified for prepayment, in trust for the benefit of the Corporation

or its assigns and irrevocably appropriated and set aside to the payment of all or any portion of the Installment Payments, sufficient moneys and non-callable Permitted Investments, issued by the United States of America and described in clause (1) of the definition thereof, the principal of and interest on which when due will provide money sufficient to pay all principal, prepayment premium, if any, and interest of such Installment Payments to their respective Installment Payment Dates or prepayment date or dates as the case may be; and

(c) provision shall have been made for paying all fees and expenses of the Trustee,

then and in that event, the right, title and interest of the Corporation herein and the obligations of the District hereunder shall, with respect to all or such portion of the Installment Payments as have been so provided for, thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Trustee and the obligation of the District to have such moneys and such Permitted Investments applied to the payment of such Installment Payments);

in such event, upon request of the District the Trustee shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary or desirable to evidence such total or partial discharge and satisfaction, as the case may be, and, in the event of a total discharge and satisfaction, the Trustee shall pay over to the District, after payment of all amounts due the Trustee pursuant to the Trust Agreement, as an overpayment of Installment Payments, all such moneys or such Permitted Investments held by it pursuant hereto other than such moneys and such Permitted Investments as are required for the payment or prepayment of the Installment Payments, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the payment of the Installment Payments and shall be applied by the Trustee to the payment of the Installment Payments of the District.

ARTICLE X

MISCELLANEOUS

Section 10.1 Liability of District Limited to Revenues. The obligation of the District to make the Installment Payments is a special obligation of the District payable solely from the Net Revenues, and does not constitute a debt of the District or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction. Notwithstanding anything contained herein, the District shall not be required to advance any moneys derived from any source of income other than the Revenues and the Revenue Fund for the payment of amounts due hereunder or for the performance of any agreements or covenants required to be performed by it contained herein. The District may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

Section 10.2 Benefits of Installment Purchase Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the District or the Corporation any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the District or the Corporation shall be for the sole and exclusive benefit of the other party.

Section 10.3 Successor Is Deemed Included in all References to Predecessor. Whenever either the District or the Corporation is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District or the Corporation, and all agreements and covenants required hereby to be performed by or on behalf of the District or the Corporation shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 10.4 Waiver of Personal Liability. No director, officer or employee of the District shall be individually or personally liable for the payment of the Installment Payments, but nothing contained herein shall relieve any director, officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 10.5 Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby", "herein," "hereof," "hereto," "herewith" and other words of similar import refer to this Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 10.6 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the District or the Corporation shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The District and the Corporation hereby declare that they would have executed this Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 10.7 Assignment. This Agreement and any rights hereunder may be assigned by the Corporation, as a whole or in part, without the necessity of obtaining the prior consent of the District.

Section 10.8 Net Contract. This Agreement shall be deemed and construed to be a net contract, and the District shall pay absolutely net during the term hereof the Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

Section 10.9 California Law. THE INSTALLMENT PURCHASE AGREEMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 10.10 Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the District: El Dorado Irrigation District
2890 Mosquito Road
Placerville, CA 95667
Attention: General Manager

If to the Corporation: El Dorado Irrigation District Financing Corporation
2890 Mosquito Road
Placerville, CA 95667
Attention: President

If to the Trustee: U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California, 94111
Attention: Corporate Trust Administrator

Section 10.11 Effective Date. This Agreement shall become effective upon its execution and delivery, and shall terminate when the Purchase Price shall have been fully paid (or provision for the payment thereof shall have been made to the written satisfaction of the Corporation).

Section 10.12 Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 10.13 Indemnification of Corporation. The District hereby agrees to indemnify and hold harmless the Corporation if and to the extent permitted by law, from and against all claims, advances, damages and losses, including legal fees and expenses, arising out of or in connection with the acceptance or the performance of its duties hereunder and under the Trust Agreement; provided that no indemnification will be made for willful misconduct, negligence or breach of an obligation hereunder or under the Trust Agreement by the Corporation.

Section 10.14 Amendments Permitted. This Agreement and the rights and obligations of the Corporation, the District, the Owners of the Certificates and of the Trustee may be modified or amended at any time by an amendment hereto which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in the Trust Agreement, shall have been filed with the Trustee. No such modification or amendment shall (1) extend the stated maturities of the Certificates, or reduce the rate of interest represented thereby, or change the method of computing the rate of interest with respect thereto, or extend the time of payment of interest, or reduce the amount of principal represented thereby, or reduce any premium payable on the prepayment thereof, without the consent of the Owner of each Certificate so affected, or (2) reduce the aforesaid percentage of Owners of Certificates whose consent is required for the execution of any amendment or modification of this Agreement without the consent of the Owners of all Certificates then Outstanding, or (3) modify any of the rights or obligations of the Trustee or the Corporation without its respective written consent thereto.

This Agreement and the rights and obligations of the Corporation, the District and of the Owners of the Certificates may also be modified or amended at any time by an amendment hereto which shall become binding upon adoption, without the consent of the Owners of any Certificates, but only to the extent permitted by law and only for any one or more of the following purposes-

(a) to add to the covenants and agreements of the Corporation or the District contained in this Agreement other covenants and agreements thereafter to be observed or to surrender any right or power herein reserved to or conferred upon the Corporation or the District, and which shall not adversely affect the interests of the Owners of the Certificates;

(b) to cure, correct or supplement any ambiguous or defective provision contained in this Agreement or in regard to questions arising under this Agreement, as the Corporation or the District may deem necessary or desirable and which shall not adversely affect the interests of the Owners of the Certificates; and

(c) to make such other amendments or modifications as may be in the best interests of the Owners of the Certificates.

No amendment without consent of the Owners of the Certificates may modify any of the rights or obligations of the Trustee without its written consent thereto.

Section 10.15 Concerning the Trustee. U.S. Bank Trust Company, National Association, in acting hereunder, is acting solely in its capacity as Trustee under the Trust Agreement, and in so acting, shall be entitled to all of the rights, privileges, protections, immunities and indemnities afforded to the Trustee under the Trust Agreement, as if fully set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed and attested this Agreement by their officers thereunto duly authorized as of the day and year first written above.

EL DORADO IRRIGATION DISTRICT

President of the Board of Directors

ATTEST

Clerk

EL DORADO IRRIGATION DISTRICT
FINANCING CORPORATION

President

Secretary

EXHIBIT A

THE PROJECT

The Project comprises the following described improvements to the Water System.

Components

[El Dorado Hills Water Treatment Plant Upgrades
Sly Park Intertie improvements
Storage tank and flume replacements
Reservoir 1 water treatment plant improvements]

EXHIBIT B

PURCHASE PRICE

1. The principal amount of payments to be made by the District hereunder is \$_____.

2. The installment payments of principal and interest are payable in the amounts and on the Installment Payment Dates as follows:

<i>Installment Payment Date*</i>	<i>Amount Attributable to Principal</i>	<i>Amount Attributable to Interest</i>	<i>Total</i>
--------------------------------------	---	--	--------------

* Installment Payment Dates are the fifth day prior to each Interest Payment Date set forth in this table.

EXHIBIT C

FORM OF REQUISITION NO. ____ FOR
DISBURSEMENT FROM ACQUISITION FUND

EL DORADO IRRIGATION DISTRICT
REVENUE CERTIFICATES OF PARTICIPATION
SERIES 2024A

The undersigned hereby states and certifies:

(i) that he is the duly appointed, qualified and acting General Manager of the El Dorado Irrigation District, an irrigation district organized and existing under the laws of the State of California (the "District"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that, pursuant to Section 3.5 of that certain Installment Purchase Agreement, dated as of October 1, 2024 (the "Installment Purchase Agreement"), by and between the District and the El Dorado Irrigation District Financing Corporation, the undersigned hereby requests the Director of Finance of the District to disburse this date the following amounts from the Acquisition Fund established under the Installment Purchase Agreement, to the payees designated on the attached Exhibit A;

(iii) that each obligation mentioned herein has been incurred by the District and is a proper charge against the Acquisition Fund;

(iv) that any approval required under the California Environmental Quality Act, as amended (Division 13 of the California Public Resources Code), prior to the expenditure of such amount for the purpose set forth on the attached Exhibit A has been received and is final; and

(v) that there has not been filed with or served upon the District notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the payees named on the attached Exhibit A, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

EL DORADO IRRIGATION DISTRICT

General Manager

EXHIBIT A

ACQUISITION FUND DISBURSEMENTS

<i>Item Number</i>	<i>Payee Name and Address</i>	<i>Purpose of Obligation</i>	<i>Amount</i>
_____			_____
_____			_____
_____			_____
_____			_____
_____			_____

TRUST AGREEMENT

by and among

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

as Trustee

and

EL DORADO IRRIGATION DISTRICT FINANCING CORPORATION

as Corporation

and

EL DORADO IRRIGATION DISTRICT

Dated as of October 1, 2024

Relating to

\$ _____

EL DORADO IRRIGATION DISTRICT
REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2024A

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TRUST AGREEMENT

THIS TRUST AGREEMENT, made and entered into as of October 1, 2024 (the “Agreement”), by and among U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as trustee (the “Trustee”), a national banking association duly organized and existing under the laws of the United States of America, and EL DORADO IRRIGATION DISTRICT FINANCING CORPORATION, as seller, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the “Corporation”), and EL DORADO IRRIGATION DISTRICT, as purchaser, an irrigation district duly organized and existing under the laws of the State of California (the “District”);

WITNESSETH:

In consideration of the mutual covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION; CONTENTS OF CERTIFICATES AND OPINIONS; RECITALS

Section 1.1 Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein. All capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Installment Purchase Agreement:

Agreement. The term “Agreement” means this Trust Agreement, as originally executed or as it may from time to time be amended or supplemented as provided for herein.

Certificate Payment Fund. The term “Certificate Payment Fund” means the fund by that name established in Section 5.2 hereof.

Certificate Proceeds Fund. The term “Certificate Proceeds Fund” means the fund by that name established pursuant to Section 3.2.

Certificates. The term “Certificates” means the certificates of participation executed and delivered by the Trustee pursuant to this Agreement.

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

Delivery Cost Fund. The term “Delivery Cost Fund” means the fund by that name established in Section 3.4 hereof.

Delivery Costs. The term “Delivery Costs” means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, execution, sale and delivery of the Certificates, including but not limited to costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Trustee and

counsel to the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, title insurance premiums, letter of credit fees, fees and charges for preparation, execution and safekeeping of the Certificates and any other cost, charge or fee in connection with the original execution and delivery of the Certificates.

Depository or DTC. The term “Depository” or “DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York in its capacity as Securities Depository for the Certificates.

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

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

Installment Payments. The term “Installment Payments” means the installment payments payable by the District pursuant to the Installment Purchase Agreement and in the amounts and at the times set forth in the Installment Purchase Agreement.

Installment Payment Date. The term “Installment Payment Date” means each date on which Installment Payments are scheduled to be paid by the District pursuant to the Installment Purchase Agreement.

Installment Purchase Agreement. The term “Installment Purchase Agreement” means the Installment Purchase Agreement, dated as of October 1, 2024, by and between the District and the Corporation, as originally executed or as it may from time to time be amended or supplemented in accordance with its terms.

Interest Fund. The term “Interest Fund” means the fund by that name established in Section 5.2 hereof.

Investment Agreement. The term “Investment Agreement” means an investment agreement supported by appropriate opinions of counsel; provided the provider thereof or the guarantor thereof is rated, at the time of issuance, at least “A+” and “A1” by S&P and Moody’s, respectively.

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

Moody's. The term "Moody's" means Moody's Investors Service, Inc., or any successor thereto.

Nominee. The term "Nominee" means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.10 hereof.

Outstanding. The term "Outstanding," when used as of any particular time with reference to Certificates, means (subject to the provisions of Section 11.4) all Certificates theretofore, or thereupon being, executed and delivered by the Trustee under the Agreement except: (1) Certificates theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (2) Certificates paid or deemed to have been paid within the meaning of Section 10.1; (3) Certificates in lieu of or in substitution for which other Certificates shall have been executed and delivered by the Trustee pursuant to Section 2.10; and (4) Certificates paid in accordance with the last sentence of Section 2.9.

Owner; Certificate Owner. The term "Owner" or "Certificate Owner," whenever used herein with respect to a Certificate, means the person in whose name the ownership of such Certificate is registered.

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

Payment Dates; Payment Date. The term "Payment Dates" means each March 1 and September 1, commencing March 1, 2025 and any date on which the unpaid Installment Payments are declared to be due and payable immediately and provided such declaration is not rescinded or annulled, all in accordance with Section 8.1 of the Installment Purchase Agreement.

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

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

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

1. U.S. Export-Import Bank ("Eximbank")
Direct obligations or fully guaranteed certificates of beneficial ownership
2. Farmers Home Administration ("FmHA")
Certificates of beneficial ownership
3. Federal Financing Bank
4. Federal Housing Administration Debentures ("FHA")

5. General Services Administration
Participation certificates
6. Government National Mortgage Association (“GNMA”)
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations (not acceptable for certain cash-flow sensitive issues)
7. United States Maritime Administration
Guaranteed Title XI financing
8. United States Department of Housing and Urban Development (“HUD”)
Project Notes
Local Authority Bonds
New Communities Debentures
United States government guaranteed debentures
United States Public Housing Notes and Bonds
United States government guaranteed public housing notes and bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A. Securities which are acceptable for transfer are:

(1) Direct United States governments, or

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

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

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

D. Valuation of Collateral

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

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

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

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

(m) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice:

(1) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Fitch, Moody’s, or S&P or any successors thereto; or

(2) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraphs (a) or (b) above, which escrow may be applied only to the payment of such principal and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate; and (ii) which escrow is sufficient, as verified by a nationally recognized firm of independent certified public accountants, to pay principal and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

Prepayment Fund. The term “Prepayment Fund” means the fund by that name established in Section 5.2 hereof.

Prepayment Price. The term “Prepayment Price” means the principal amount with respect to any Certificate (or portion thereof) plus the applicable premium, if any, payable upon prepayment thereof pursuant to the provisions of such Certificate and this Agreement.

Principal Fund. The term “Principal Fund” means the fund by that name established in Section 5.2 hereof.

Rebate Fund. The term “Rebate Fund” means the fund by that name established for the Certificates pursuant to Section 5.6.

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

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

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

Special Counsel. The term “Special Counsel” means Stradling Yocca Carlson & Rauth LLP, or any attorney at law or firm of attorneys selected by the District, of nationally-recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

Statement of the Corporation or District. The term “Statement of the Corporation or District” means a statement signed by or on behalf of (i) the Corporation by its President or a Vice President or (ii) the District by the President and by the Secretary or by any two persons (whether or not members of the Board of Directors) who are specifically authorized by resolution of the District to sign or execute such a document on its behalf. If and to the extent required by the provisions of Section 1.3, each Statement of the Corporation or District shall include the statements provided for in Section 1.3.

Tax Certificate. The term “Tax Certificate” means the Tax Certificate dated the Closing Date, concerning certain matters pertaining to the use and investment of proceeds of the Certificates executed by and delivered to the District on the date of execution and delivery of the Certificates, including any and all exhibits attached thereto.

Trustee. The term “Trustee” means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, or its successor as Trustee hereunder, as provided in Section 8.3.

Section 1.2 Rules of Construction. Words of any gender shall be deemed and construed to include all genders, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa.

Section 1.3 Content of Statements and Opinions. Every statement or opinion with respect to compliance with a condition or covenant provided for in this Agreement, including each Statement of the Corporation, shall include (a) a statement that the person or persons making or giving such statement or opinion have read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such statement or opinion are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such statement or opinion made or given by an officer of the Corporation may be based, insofar as it relates to legal or accounting matters, upon a statement or opinion of or representations by counsel, accountants or consultants, unless such officer knows, or in the exercise of reasonable care should have known, that the statement or opinion or representations with respect to the matters upon which his statement or opinion may be based, as aforesaid, are erroneous. Any such statement or opinion made or given by counsel, accountants or consultants may be based, insofar as it relates to factual matters, upon information with respect to which is in the possession of the Corporation, or upon the statement or opinion of or representations by an officer or officers of the Corporation, unless such counsel, accountant or consultant knows, or in the exercise of reasonable care should have known, that the statement or opinion or representations with respect to the matters upon which his opinion may be based as aforesaid are erroneous.

Section 1.4 Recitals.

(a) Installment Purchase Agreement. The Corporation has agreed to assist the District in financing the Project.

(b) Installment Payments. Under the Installment Purchase Agreement, the District is obligated to pay to the Corporation or its assigns Installment Payments for the purchase of the Project.

(c) Assignment Agreement. For the purpose of obtaining the moneys required to be deposited by the Corporation with the Trustee, and for the purpose of securing the obligations of the Corporation hereunder, the Corporation has assigned and transferred certain of its rights under the Installment Purchase Agreement to the Trustee, pursuant to the Assignment Agreement; and in consideration of such assignment and the execution of this Agreement, the Trustee has agreed to execute and deliver certificates of participation, each evidencing an interest in the Installment Payments in an aggregate amount equal to the aggregate principal amount of certificates of participation so executed and delivered.

(d) Conditions Precedent Satisfied. The District and the Corporation hereby certify that all acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the execution and entering into of this Agreement have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly empowered to execute and enter into this Agreement.

ARTICLE II

CERTIFICATES; TERMS AND PROVISIONS

Section 2.1 Preparation of Certificates. The Trustee is hereby authorized to execute certificates of participation, to be denominated “Revenue Certificates of Participation, Series 2024A” in an aggregate principal amount of \$ _____ evidencing undivided interests in Installment Payments to be paid by the District under the Installment Purchase Agreement.

Section 2.2 Denominations; Medium and Place of Payment; Dating. The Certificates shall be delivered in the form of fully registered Certificates and in the denomination of \$5,000 each or any integral multiple thereof; provided that no Certificate shall have principal represented thereby maturing in more than one year.

The principal and Prepayment Price with respect to the Certificates shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the Designated Corporate Trust Office of the Trustee. Interest with respect to the Certificates shall be payable by check of the Trustee mailed by first class mail on each Payment Date of the Certificates to the respective Certificate Owners of record thereof as of the close of business on the Record Date at the addresses shown on the books required to be kept pursuant to Section 2.8 or, upon the written request received by the Trustee of an Owner of at least \$1,000,000 in aggregate principal amount of the Certificates, by wire transfer of immediately available funds to an account in the United States designated by such Owner prior to the applicable Record Date.

The Certificates shall be dated as of the date of initial delivery thereof. Interest with respect to the Certificates shall be payable from the Payment Date preceding their date of execution, unless such date shall be after a Record Date and on or before the succeeding Payment Date, in which case interest shall be payable from such Payment Date or unless such date shall be on or before the first Record Date, in which case interest shall be payable as of the date of initial delivery thereof provided, however, that if, as shown by the records of the Trustee, interest represented by the Certificates shall be in default, Certificates executed in exchange for Certificates surrendered for transfer or exchange shall represent interest from the last date to which interest has been paid in full or duly provided for with respect to the Certificates, or, if no interest has been paid or duly provided for with respect to the Certificates, as of the date of initial delivery thereof.

Section 2.3 Payment of Principal and Interest with Respect to Certificates.

(a) The Certificates shall become payable on March 1 in the years and in the amounts and with an interest component as provided in subsection (b) below at the rates, as follows:

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

* Term Bonds

Principal or Prepayment Price with respect to the Certificates at maturity or prepayment thereof shall, to the extent of the aggregate principal amount stated upon the Certificates, represent the sum of those portions of the Installment Payments designated as principal coming due on the Installment Payment Dates immediately preceding March 1 in each year. Interest with respect to the Certificates shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

(b) Interest with respect to the Certificates shall be payable on each Interest Payment Date to and including the date of maturity or prior prepayment. Said interest shall represent the sum of those portions of the Installment Payments designated as interest coming due on the Installment Payment Dates, at the rates set forth in subsection (a) above.

Section 2.4 Form of Certificates. The Certificates and the form of assignment to appear thereon shall be in substantially the form set forth in Exhibit A hereto with necessary or appropriate variations, omissions and insertions as permitted or required by this Agreement.

Section 2.5 Execution. The Certificates shall be executed by and in the name of the Trustee, as trustee under this Agreement, by the manual signature of an authorized officer or signatory of the Trustee.

Section 2.6 Transfer of Certificates. Any Certificate may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.8, by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such Certificate for cancellation at the Designated Corporate Trust Office of the Trustee, accompanied by delivery of a duly executed written instrument of transfer in a form satisfactory to the Trustee.

Whenever any Certificate or Certificates shall be surrendered for transfer, the Trustee shall execute and deliver a new Certificate or Certificates of the same maturity, for a like aggregate principal amount and of authorized denomination or denominations. The Trustee may charge a sum for each new Certificate executed and delivered upon any transfer. The Trustee may require the payment by any Certificate Owner requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer. Following any transfer of Certificates the Trustee shall cancel and dispose of the Certificates it has received, in accordance with its then customary practices.

Section 2.7 Exchange of Certificates. Certificates may be exchanged at the Designated Corporate Trust Office of the Trustee, for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity. The Trustee may charge a sum for each new Certificate executed and delivered upon any exchange except in the case of any exchange of temporary Certificates for definitive Certificates. The Trustee may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. Following any exchange of Certificates the Trustee shall cancel and dispose of the Certificates it has received in accordance with its then customary practices.

The Trustee shall not be required to register the exchange, or transfer pursuant to Section 2.6 hereof, of any Certificate (i) within fifteen (15) days preceding selection of Certificates for prepayment or (ii) selected for prepayment.

Section 2.8 Certificate Registration Books. The Trustee will keep or cause to be kept sufficient books for the registration and transfer of the Certificates, which shall upon reasonable prior written notice and at all reasonable times be open to inspection by the Corporation or the District; and, upon presentation for such purpose, the Trustee shall, under then customary and standard regulations, register or transfer or cause to be registered or transferred, on said books, Certificates as hereinbefore provided.

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

Section 2.9 Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Trustee shall execute and deliver a new Certificate of like tenor, maturity and principal amount in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated.

Every mutilated Certificate so surrendered to the Trustee shall be canceled by it and disposed of, in accordance with its then customary practices. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given indemnifying the Trustee, the Corporation and the District, the Trustee, at the expense of the Certificate Owner, shall execute and deliver a new Certificate of like tenor and maturity in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Certificate executed under this Section and of the expenses which may be incurred by the Trustee under this Section. Any Certificate

executed under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Agreement with all other Certificates secured by this Agreement. The Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Certificate for a Certificate which has been mutilated, lost, destroyed or stolen and which has matured or has been selected for prepayment, the Trustee may, at the written direction of the District, make payment of such Certificate upon receipt of indemnity satisfactory to the Trustee.

Section 2.10 Book-Entry System.

(a) Election of Book-Entry System. Prior to the execution and delivery of the Certificates, the District may provide that such Certificates shall be initially executed and delivered as book-entry Certificates. If the District shall elect to deliver any Certificates in book-entry form, then the District shall cause the delivery of a separate single fully registered certificate (which may be typewritten) for each maturity date of such Certificates in an authorized denomination corresponding to that total principal amount of the Certificates designated to mature on such date. Upon initial execution and delivery, the ownership of each such Certificate shall be registered in the Certificate registration books in the name of the Nominee, as nominee of the Depository and ownership of the Certificates, or any portion thereof may not thereafter be transferred except as provided in Section 2.10(e).

With respect to book-entry Certificates, 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 Certificates. 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 Certificates, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Certificate registration books, of any notice with respect to book-entry Certificates, including any notice of prepayment, (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Certificates to be prepaid in the event the District prepaays the Certificates in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to principal, premium, if any, or interest with respect to book-entry Certificates. The District and the Trustee may treat and consider the person in whose name each book-entry Certificate is registered in the Certificate registration books as the absolute Owner of such book-entry Certificate for the purpose of payment of principal, premium, if any, and interest with respect to such Certificate, for the purpose of giving notices of prepayment and other matters with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Trustee shall pay all principal, premium, if any, and interest with respect to the Certificates only to or upon the order of the respective Owner, as shown in the Certificate register, 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 evidenced and represented by the Certificates to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Certificate registration books, shall receive a Certificate evidencing the obligation to make payments of principal, premium, if any, and interest evidenced and represented by the Certificates.

Upon delivery by the Depository to the Owner 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 this Agreement shall refer to such nominee of the Depository.

(b) Delivery of Letter of Representations. In order to qualify the book-entry Certificates for the Depository's book-entry system, if no Letter of Representations has been filed previously, the District shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District any obligation whatsoever with respect to persons having interests in such book-entry Certificates other than the Owners, as shown on the Certificate registration books. By executing a Letter of Representations, the District shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District shall take such other actions, not inconsistent with this Agreement, as are reasonably necessary to qualify Book-Entry Certificates for the Depository's book-entry program.

(c) Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for book-entry Certificates, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the beneficial owners of the Certificates or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered Certificate for each of the maturity dates of such book-entry Certificates, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (e) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Certificates shall no longer be restricted to being registered in such Certificate register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Certificates shall designate, in accordance with the provisions of Sections 2.6 and 2.7 hereof.

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

(e) Transfer of Certificates to Substitute Depository.

(i) The Certificates shall be initially executed and delivered as provided in Section 2.1 hereof. Registered ownership of such Certificates, or any portions thereof, may not thereafter be transferred except:

(A) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to clause (B) of subsection (i) of this Section 2.10(e) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

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

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

(ii) In the case of any transfer pursuant to clause (A) or clause (B) of subsection (i) of this Section 2.10(e), upon receipt of all Outstanding Certificates by the Trustee, together with a written request of the District to the Trustee designating the Substitute Depository, a single new Certificate, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Certificates then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to clause (C) of subsection (i) of this Section 2.10(e), upon receipt of all Outstanding Certificates by the Trustee, together with a written request of the District to the Trustee, new Certificates, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, subject to the limitations of Section 2.10 hereof, provided that the Trustee shall not be required to deliver such new Certificates within a period of less than sixty (60) days from the date of receipt of such written request from the District.

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

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

ARTICLE III

DELIVERY OF CERTIFICATES; DELIVERY COST FUND

Section 3.1 Delivery of Certificates. The Trustee is hereby authorized to execute and deliver Certificates in an aggregate principal amount of \$ _____ upon the Written Order of the District.

Section 3.2 Application of Proceeds of Certificates and Certain Other Moneys. The proceeds received from the sale of the Certificates shall be deposited with the Trustee in the Certificate Proceeds Fund, which the Trustee shall establish, maintain and hold in trust as a separate fund and shall transfer \$ _____ into the Delivery Cost Fund and transfer \$ _____ to, or at the written direction of, the District for deposit in the Acquisition Fund to pay the cost of the acquisition of the Project. The Trustee shall close the Certificate Proceeds Fund, after such allocations have been made, on the Closing Date. The Trustee may establish temporary funds or accounts in its records in order to record and facilitate such deposits and transfer.

Section 3.3 Validity of Certificates. The validity of the execution and delivery of the Certificates is not dependent on and shall not be affected in any way by any proceedings taken by the District, the Corporation or the Trustee with respect to or in connection with the Installment Purchase Agreement. The recital contained in the Certificates that all acts, conditions and things required by the Constitution and statutes of the State of California and this Agreement to exist, to have happened and to have been performed precedent to and in the delivery thereof do exist, have happened and have been performed in due time, form and manner as required by law shall be conclusive evidence of their validity and of compliance with the provisions of law in their delivery.

Section 3.4 Delivery Cost Fund. There is hereby established with the Trustee the Delivery Cost Fund which the Trustee shall establish and maintain and hold in trust separate and apart from other funds held by it. The moneys in the Delivery Cost Fund shall be used and withdrawn by the Trustee to pay Delivery Costs upon submission of Written Requisitions of the District, in the form attached hereto as Exhibit B stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred, that such payment is a proper charge against said fund and that payment for such charge has not previously been made. On the six month anniversary of the date of this Agreement, or upon the earlier Written Request of the District, all amounts remaining in the Delivery Cost Fund shall be transferred by the Trustee for deposit in the Certificate Payment Fund.

ARTICLE IV

PREPAYMENT OF CERTIFICATES

Section 4.1 Terms of Prepayment.

(a) The Certificates shall be subject to extraordinary prepayment 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 sixty (60) days prior to such date and by lot within each maturity in integral multiples of \$5,000 from prepaid Installment Payments made by the District from Net Proceeds, upon the terms and conditions of, and as provided for in, Section 6.10 of this Agreement, and Sections 6.9 and 6.15 of the Installment Purchase Agreement, at

a Prepayment Price equal to the principal amount thereof plus accrued interest evidenced and represented thereby to the date fixed for prepayment, without premium.

(b) The Certificates with stated maturities on or after March 1, 203__ are subject to prepayment prior to such stated maturity, 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 not more than sixty (60) days nor less than twenty (20) days prior to such date and by lot within each maturity in integral multiples of \$5,000, on or after September 1, 2034, from amounts prepaid by the District pursuant to the Installment Purchase Agreement at a Prepayment Price equal to the principal amount of such Certificates to be prepaid plus accrued interest evidenced and represented thereby to the date fixed for prepayment without premium.

(c) The Certificates with a stated maturity on March 1, 20__ are subject to mandatory sinking fund prepayment prior to such stated maturity, by lot, on each March 1 on and after March 1, 20__ in integral multiples of \$5,000 solely from scheduled Installment Payments paid by the District under the Installment Purchase Agreement, at a Prepayment Price equal to the principal amount thereof (together with accrued interest evidenced to the date fixed for prepayment), without premium, in accordance with the following schedule:

<i>Redemption Date</i> <i>(March 1)</i>	<i>Principal Amount</i> \$
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(maturity)

(d) The Certificates with a stated maturity on March 1, 20__ are subject to mandatory sinking fund prepayment prior to such stated maturity, by lot, on each March 1 on and after March 1, 20__ in integral multiples of \$5,000 solely from scheduled Installment Payments paid by the District under the Installment Purchase Agreement, at a Prepayment Price equal to the principal amount thereof (together with accrued interest evidenced to the date fixed for prepayment), without premium, in accordance with the following schedule:

<i>Redemption Date</i> <i>(March 1)</i>	<i>Principal Amount</i> \$
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(maturity)

Section 4.2 Selection of Certificates for Prepayment. Whenever less than all of the Certificates are called for prepayment, the Trustee shall select the Certificates or portions thereof to be prepaid from the Outstanding Certificates in accordance with Section 4.1 hereof. The Trustee shall promptly notify the District in writing of the numbers of the Certificates or portions thereof so

selected for prepayment. In the event the term Certificates are designated for prepayment, the District may designate which sinking account payments are allocated to such prepayment.

Section 4.3 Notice of Prepayment. Notice of prepayment shall be mailed, first class postage prepaid, or provided through other electronically secure means to be determined by the District and communicated to the Trustee in writing, to the respective Owners of any Certificates designated for prepayment at their addresses appearing on the Certificate registration books and to the Information Services and Securities Depositories at least twenty (20) days but not more than sixty (60) days prior to the prepayment date.

Each notice of prepayment shall state the date of notice, the prepayment date, the place or places of prepayment and the Prepayment Price, shall designate the maturities, CUSIP numbers, if any, and, if less than all Certificates of any such maturity are to be prepaid, the serial numbers of the Certificates of such maturity to be prepaid by giving the individual number of each Certificate or by stating that all Certificates between two stated numbers, both inclusive, have been called for prepayment and, in the case of Certificates to be prepaid in part only, the respective portions of the principal amount thereof to be prepaid. Each such notice shall also state that on said date there will become due and payable with respect to each of said Certificates the Prepayment Price thereof or of said specified portion of the principal represented thereby in the case of a Certificate to be prepaid in part only, together with interest accrued with respect thereto to the prepayment date, and that (provided that moneys for prepayment have been deposited with the Trustee) from and after such prepayment date interest with respect thereto shall cease to accrue, and shall require that such Certificates be then surrendered to the Trustee. Any defect in the notice or the mailing thereof will not affect the validity of the prepayment of any Certificate.

Notice of prepayment of Certificates shall be given by the Trustee on behalf of and at the expense of the District.

Section 4.4 Partial Prepayment of Certificate. Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and deliver to the Owner thereof, at the expense of the District, a new Certificate or Certificates of authorized denominations equal in aggregate principal amount to the unpaid portion of the Certificate surrendered and of the same maturity.

Section 4.5 Effect of Prepayment. When notice of prepayment has been duly given as aforesaid, and moneys for payment of the Prepayment Price of, together with interest accrued to the prepayment date with respect to, the Certificates (or portions thereof) so called for prepayment are held by the Trustee, the Certificates (or portions thereof) so called for prepayment shall, on the prepayment date designated in such notice, become due and payable at the Prepayment Price specified in such notice and interest accrued thereon to the prepayment date; and from and after the prepayment date interest represented by the Certificates so called for prepayment shall cease to accrue, said Certificates (or portions thereof) shall cease to be entitled to any benefit or security under this Agreement, and the Owners of said Certificates shall have no rights in respect thereof except to receive payment of said Prepayment Price and accrued interest.

All Certificates prepaid pursuant to the provisions of this Article shall be canceled upon surrender thereof and disposed of by the Trustee, in accordance with its then customary practices.

ARTICLE V

INSTALLMENT PAYMENTS

Section 5.1 Pledge and Deposit of Installment Payments. The Installment Payments are hereby irrevocably pledged to, and shall be used for, the punctual payment of the Certificates, and the Installment Payments shall not be used for any other purpose while any of the Certificates remain Outstanding. This pledge shall constitute a first and exclusive lien on the Installment Payments in accordance with the terms hereof.

All Installment Payments to which the Corporation may at any time be entitled (including income or profit from investments pursuant to Section 5.3) shall be paid directly to the Trustee pursuant to the terms of the Assignment Agreement, and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within one (1) Business Day after the receipt thereof, and the Trustee shall deposit all Installment Payments as and when received in the Certificate Payment Fund. All moneys at any time deposited in the Certificate Payment Fund shall be held by the Trustee in trust for the benefit of the Owners from time to time of the Certificates, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes herein set forth.

Section 5.2 Certificate Payment Fund. There is hereby established with the Trustee the Certificate Payment Fund which the Trustee covenants to maintain and hold in trust separate and apart from other funds held by it so long as any Installment Payments remain unpaid. All moneys on deposit in the Certificate Payment Fund (including income or profit from investments) shall be retained therein except as expressly provided herein.

The Trustee shall transfer from the Certificate Payment Fund the following amounts at the times and in the manner hereinafter provided, and shall deposit such amounts in one or more of the following respective funds, each of which the Trustee shall establish and maintain and hold in trust separate and apart from other funds held by it, and each of which shall be disbursed and applied only as hereinafter authorized. Such amounts shall be so transferred to and deposited in the following respective funds in the following order of priority, the requirements of each such fund at the time of deposit to be satisfied before any transfer is made to any fund subsequent in priority:

(a) Interest Fund. The Trustee, on the last Business Day before each Interest Payment Date (commencing on the last Business Day of February, 2025), shall deposit in the Interest Fund an amount representing the portion of the Installment Payments designated as interest coming due on the next succeeding March 1 or September 1, as the case may be. No deposit need be made into the Interest Fund so long as there shall be in such fund moneys sufficient to pay the interest portion of Certificates then Outstanding due, if any, on the next March 1 or September 1, as the case may be.

Except as hereinafter provided, moneys in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest with respect to the Certificates when due and payable (including accrued interest with respect to any Certificates prepaid prior to maturity pursuant to this Agreement).

(b) Principal Fund. The Trustee, on the last Business Day before each March 1 (commencing on the last Business Day of February, 20__), shall deposit in the Principal Fund an

amount equal to the principal coming due with respect to the Certificates on the next succeeding March 1. No deposit need be made into the Principal Fund so long as there shall be in such fund moneys sufficient to pay the portion of all Certificates then Outstanding designated as principal and coming due on the next succeeding March 1.

Except as hereinafter provided, moneys in the Principal Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal with respect to the Certificates when due and payable.

(c) Prepayment Fund. Moneys to be used for prepayment pursuant to Section 4.1 hereof and paid by the District pursuant to Section 7.1 of the Installment Purchase Agreement shall be transferred by the Trustee from the Certificate Payment Fund (such Prepayment Fund to be opened by the Trustee, as needed, and upon receipt of written request of the Trustee from the District) and deposited in the Prepayment Fund on the prepayment date specified in the Written Request of the District filed with the Trustee pursuant to Section 7.2 of the Installment Purchase Agreement. Said moneys shall be set aside in the Prepayment Fund solely for the purpose of prepaying the Certificates in advance of their respective stated maturities and shall be applied on or after the date specified for prepayment pursuant to Section 4.1 hereof to the payment of the Prepayment Price with respect to the Certificates to be prepaid upon presentation and surrender of such Certificates.

Section 5.3 Investment of Moneys in Special Funds. Any moneys in the Delivery Cost Fund, the Certificate Payment Fund, the Interest Fund, the Principal Fund and the Prepayment Fund shall be invested by the District or, upon the Written Request of the District, by the Trustee, in Permitted Investments which will mature on or before the dates when such moneys are scheduled to be needed for payment from such fund. Securities acquired as an investment of moneys in a fund shall be credited to such fund.

In the absence of written investment direction from the District, the Trustee shall invest moneys held by it solely in Permitted Investments specified in clause (d) of the definition thereof; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction from the District specifying a specific money market fund and, if no such written direction from the District is so received, the Trustee shall hold such moneys uninvested. Except as otherwise expressly provided herein, investments shall be valued by the Trustee, as directed in a written Request of the District at the market value thereof, exclusive of accrued interest. Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value shall be restored no later than the succeeding annual valuation date. The Trustee shall also value investments hereunder in connection with the refunding or prepayment of the Certificates as directed in a Written Request of the District.

Subject to the further provisions of Section 5.3 hereof, the Trustee may sell or present for prepayment any obligations so purchased at the written direction of the District whenever it shall be necessary in order to provide moneys to meet any payment, and the Trustee shall not be liable or responsible for any losses, fees, taxes or other charges resulting from such investment, reinvestment or liquidations of investments made pursuant to this Section. The Trustee or an affiliate may act as principal or agent in the acquisition or disposition of any investment and shall be entitled to its customary fee therefor. The Trustee may commingle any of the funds or accounts established pursuant to this Agreement into a separate fund or funds for investment purposes only; provided,

however, that all funds or accounts held by the Trustee hereunder shall be accounted for separately notwithstanding such commingling.

Section 5.4 Reserved.

Section 5.5 Pledge of Moneys in Funds. All amounts on deposit in the Delivery Cost Fund, the Certificate Payment Fund, the Interest Fund, the Principal Fund and the Prepayment Fund are hereby irrevocably pledged to the Owners of the Certificates as provided herein. This pledge shall constitute a first and exclusive lien on the Delivery Cost Fund, the Certificate Payment Fund, the Interest Fund, the Principal Fund and the Prepayment Fund for the benefit of the Owners of the Certificates in accordance with the terms hereof and of the Installment Purchase Agreement.

Section 5.6 Rebate Fund.

(a) Establishment. The Trustee shall establish a separate account, as necessary, for the Certificates designated the “Rebate Fund” (to be opened by the Trustee, as needed, and upon receipt of written request by the Trustee from the District). Absent an opinion of Special Counsel that the exclusion from gross income for federal income tax purposes of interest with respect to the Certificates will not be adversely affected, the District shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust for payment to the United States Treasury. All amounts on deposit in the Rebate Fund for the Certificates shall be governed by this Section and the Tax Certificate for the Certificates, unless and to the extent that the District delivers to the Trustee an opinion of Special Counsel that the exclusion from gross income for federal income tax purposes of interest with respect to the Certificates will not be adversely affected if such requirements are not satisfied. The Trustee shall be deemed conclusively to have complied with the provisions of this Section and the Tax Certificate if the Trustee follows the directions of the District and the Trustee shall have no independent responsibility to or liability resulting from failure of the Trustee to enforce compliance by the District with the Tax Certificate or the provisions of this Section.

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

(ii) Annual Transfer. Within fifty-five (55) days of the end of each Certificate Year, upon the written Request of the District, an amount shall be deposited to the Rebate Fund by the Trustee from any Revenues legally available for such purpose (as specified by the District in the aforesaid written Request), if and to the extent required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with (i) of this subsection (a). In the event that immediately following the transfer required by the previous

sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon written Request of the District, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Revenue Fund.

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

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

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

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

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

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

ARTICLE VI

COVENANTS

Section 6.1 Corporation and District to Perform Under Installment Purchase Agreement. The Corporation and District covenant and agree with the Owners of the Certificates to perform all obligations and duties imposed on them under the Installment Purchase Agreement and, together with the Trustee, to enforce such Installment Purchase Agreement against the other party thereto in accordance with its terms.

The Corporation and the District will in all respects promptly and faithfully keep, perform and comply with all the terms, provisions, covenants, conditions and agreements of the Installment Purchase Agreement to be kept, performed and complied with by it.

The Corporation and the District agree not to do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any

such omission of or refraining from action, would or might be a ground for cancellation or termination of the Installment Purchase Agreement.

Section 6.2 Budgets. On or prior to the fifteenth day of each Fiscal Year, the District shall certify to the Trustee that the amounts budgeted for payment of Installment Payments are fully adequate for the payment of all Installment Payments due under the Installment Purchase Agreement for such Fiscal Year. If the amounts so budgeted are not adequate for the payment of Installment Payments due under the Installment Purchase Agreement, the District will take such action as may be necessary to cause such annual budget to be amended, corrected or augmented so as to include therein the amounts required to be raised by the District in the then ensuing Fiscal Year for the payment of Installment Payments due under the Installment Purchase Agreement and will notify the Trustee in writing of the proceedings then taken or proposed to be taken by the District.

Section 6.3 Tax Covenants. Notwithstanding any other provision of this Agreement, and except as may otherwise be approved by an opinion of Special Counsel that the exclusion from gross income of the portion of interest with respect to the Certificates will not be adversely affected for federal income tax purposes, the District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income with respect to the Certificates and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The District will take no action or refrain from taking any action or make any use of the proceeds of the Certificates or of any other moneys or property which would cause the Certificates to be “private activity bonds” within the meaning of Section 141 of the Code necessary to preserve the exclusion of interest with respect to the Certificates pursuant to Section 103(a) of the Code.

(b) Arbitrage. The District will make no use of the proceeds of the Certificates or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action which will cause the Certificates to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(c) Federal Guarantee. The District will make no use of the proceeds of the Certificates or take or omit to take any action that would cause the Certificates to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(d) Information Reporting. The District will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code.

(e) Hedge Bonds. The District will make no use of the proceeds of the Certificates or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Certificates to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest with respect to the Certificates for federal income tax purposes.

(f) Miscellaneous. The District will take no action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate executed by the District in

connection with the execution and delivery of the Certificates and will comply with the covenants and requirements stated therein and incorporated by reference herein.

This Section and the covenants set forth herein shall not be applicable to, and nothing contained herein shall be deemed to prevent the District from issuing other Bonds or Contracts the interest with respect to which has been determined by Special Counsel to be subject to federal income taxation.

Section 6.4 Accounting Records and Reports. The Trustee shall keep or cause to be kept proper books of record and account in which complete and correct entries shall be made of all transactions made by it relating to the receipts, disbursements, allocation and application of the Installment Payments, and such books shall be available upon reasonable prior written notice for inspection by the District and by any Owner of Certificates, or his or her agent or representative, at reasonable hours and under reasonable conditions. Each month, so long as the Certificates are Outstanding, the Trustee shall furnish to the District a statement covering receipts, disbursements, allocation and application of amounts on deposit in the funds and accounts created hereunder held by it, which include detail for all investment transactions effected by the Trustee and brokers selected by the District. Upon the District's election, such statements will be delivered via the Trustee's Online Trust and Custody service and paper statements will be provided only upon request. The District acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory entity grants the District the right to receive brokerage confirmations of security transactions as such transactions occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The District further understands that trade confirmations for securities transactions effected by the Trustee will be available upon written Request at no additional cost and other trade confirmations may be obtained from the applicable broker.

Section 6.5 Compliance with Trust Agreement. The Trustee will not execute, or permit to be executed, any Certificates in any manner other than in accordance with the provisions of this Agreement, and the District will not suffer or permit any default by it to occur under this Agreement, but will faithfully observe and perform all the covenants, conditions and requirements hereof.

Section 6.6 Observance of Laws and Regulations. To the extent necessary to assure their performance hereunder, the Corporation and the District will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the Corporation or the District, respectively, including its right to exist and carry on its business, to the end that such contracts, rights and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 6.7 Compliance with Contracts. The District shall comply with the terms, covenants and provisions, express or implied, of all contracts for the use of the Project by the District, and all other contracts and agreements affecting or involving the Project to the extent that the District is a party thereto.

Section 6.8 Prosecution and Defense of Suits. The District shall promptly, upon request of the Trustee or any Certificate Owner, from time to time take such action as may be necessary or

proper to remedy or cure any defect in or cloud upon the title to the Revenues or any part thereof, whether now existing or hereafter developing, shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee (including all of its employees, officers and directors), the Corporation and every Certificate Owner harmless from all loss, cost, damage and expense, including attorneys' fees and expenses, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

The District shall defend against every suit, action or proceeding at any time brought against the Trustee (including all of its employees, officers and directors) or the Corporation upon any claim arising out of the receipt, application or disbursement of any of the Installment Payments or involving the rights of the Trustee or the Corporation under this Agreement; provided that the Trustee or the Corporation at such party's election may appear in and defend any such suit, action or proceeding. The District shall indemnify and hold harmless the Trustee or the Corporation against any and all liability claimed or asserted by any person, arising out of such receipt, application or disbursement, and shall indemnify and hold harmless the Trustee against any attorneys' fees or other expenses which the Trustee may incur in connection with any litigation (including pre-litigation activities) to which it may become a party by reason of serving as Trustee under this Agreement. The District shall promptly reimburse the Corporation or Trustee in the full amount of any attorneys' fees or other expenses which the Corporation or the Trustee may incur in litigation or otherwise in order to enforce such party's rights under this Agreement or the Certificates.

Section 6.9 Recordation and Filing. The Trustee, upon written Request of the District, shall have authorization, but not the obligation, to record, register, file, renew, refile and re-record all such documents, including continuation statements and any amendments thereto, as may be required by law in order to maintain a security interest in this Agreement and the Assignment Agreement, all in such manner, at such times and in such places as may be required by, and to the extent permitted by, law in order fully to preserve, protect and perfect the security of the Certificate Owners and the rights and security interests of the Trustee. The Trustee, upon written direction of the District, shall (subject to Section 8.5) do whatever else may be necessary or be reasonably required in order to perfect and continue the lien of this Agreement and the Assignment Agreement; it being understood that the Trustee shall have no obligation to so preserve, protect and perfect except upon such written direction of the District.

Notwithstanding anything to the contrary above, the Trustee shall have no duty or liability whatsoever to monitor or notify any party with respect to the timeliness, sufficiency or validity of any such recording, re-recording, filing of continuation statements and the like with respect to this Agreement.

Section 6.10 Eminent Domain. If all or any part of the Project shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain), the Net Proceeds therefrom shall be applied in the manner specified in Section 6.15 of the Installment Purchase Agreement.

Section 6.11 Further Assurances. Whenever and so often as requested so to do by the Trustee or any Certificate Owner, the Corporation and the District will promptly execute and deliver or cause to be executed and delivered all such other and further instruments, documents or assurances, and promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the

Certificate Owners all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Agreement.

ARTICLE VII

DEFAULT AND LIMITATION OF LIABILITY

Section 7.1 Notice of Non-Payment. In the event of delinquency in the payment of any Installment Payments due by the District pursuant to the Installment Purchase Agreement, the Trustee shall, after one (1) Business Day following the date upon which such delinquent Installment Payment was due, as soon as practicable give written notice of the delinquency and the amount of the delinquency to the District and the Corporation.

Section 7.2 Action on Default or Termination. Upon the occurrence of an Event of Default (as that term is defined in the Installment Purchase Agreement), which event shall constitute a default hereunder, and in each and every such case during the continuance of such Event of Default, the Trustee or the Owners of not less than a majority in aggregate principal amount of Certificates at the time Outstanding shall be entitled, upon notice in writing to the District, to exercise the remedies provided to the Corporation in the Installment Purchase Agreement.

Upon declaration of the entire principal amount of the unpaid Installment Payments and the accrued interest thereon to be due and payable immediately and provided such declaration is not rescinded or annulled, all in accordance with Section 8.1 of the Installment Purchase Agreement, the Trustee shall apply all moneys received as Installment Payments and all moneys held in any fund or account hereunder to the payment of the entire principal amount of the Certificates and the accrued interest with respect thereto, with interest with respect to the overdue Certificates at the rate or rates of interest or yields-to-maturity applicable to the Certificates if paid in accordance with their terms.

Section 7.3 Other Remedies of the Trustee. The Trustee may:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District or any board member, officer or employee thereof, and to compel the District or any such board member, officer or employee to perform or carry out his or her duties under law and the agreements and covenants required to be performed by it or him contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee; or

(c) by suit in equity upon the happening of any default hereunder to require the District and its directors, officers and employees to account as the trustee of an express trust.

Section 7.4 Non-Waiver. A waiver of any default or breach of duty or contract by the Trustee shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Trustee by

law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee.

If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned, the Trustee and the District shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 7.5 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any law.

Section 7.6 No Obligation by the District to Owners. Except for the payment of Installment Payments when due in accordance with the Installment Purchase Agreement and the performance of the other covenants and agreements of the District contained in said Installment Purchase Agreement and herein, the District shall have no obligation or liability to the Owners of the Certificates with respect to this Agreement or the execution, delivery or transfer of the Certificates, or the disbursement of Installment Payments to the Owners by the Trustee; provided however that nothing contained in this Section shall affect the rights, duties or obligations of the Trustee expressly set forth herein.

Section 7.7 Trustee Appointed Agent for Certificate-Owners: Direction of Proceedings. The Trustee is hereby appointed the agent and attorney of the Owners of all Certificates outstanding hereunder for the purpose of filing any claims relating to the Certificates. The Owners of a majority in aggregate principal amount of the Certificates Outstanding hereunder shall, upon tender to the Trustee of indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such direction, have the right to direct the method and place of conducting all remedial proceedings by the Trustee, provided such direction shall be in accordance with law and the provisions of this Agreement and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Certificate-owners not parties to such a direction.

Section 7.8 Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own reasonable judgment or upon the request of the Owners of a majority in aggregate principal amount of the Certificates then outstanding pursuant to Section 7.7 hereof, it shall have full power, in the exercising of its rights hereunder for the best interests of the Owners of the Certificates, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default hereunder, discontinue, withdraw, compromise or settle, or otherwise dispose of, any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of at least a majority in principal amount of the Certificates Outstanding hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 7.9 Limitation on Certificate-Owners' Right to Sue. No Owner of any Certificate executed and delivered hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Agreement, unless (a) such Owner shall have

previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Owners of at least a majority in aggregate principal amount of all the Certificates then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender or indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Certificates of any remedy hereunder; it being understood and intended that no one or more Owners of Certificates shall have any right in any manner whatever by his or their action to enforce any right under this Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Agreement shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all owners of the Outstanding Certificates.

The right of any Owner of any Certificate to receive payment of the principal of (and premium, if any) and interest with respect to such Certificate, as herein provided, on and after the respective due dates expressed in such Certificate, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of this Section or Section 7.10 or any other provision of this Agreement.

Section 7.10 No Obligation with Respect to Performance by Trustee. Neither the District nor the Corporation shall have any obligation or liability to any of the other parties hereto or to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon it under this Agreement.

Section 7.11 No Liability to Owners for Payment. The Corporation shall not have any obligation or liability to the Owners of the Certificates with respect to the payment of the Installment Payments by the District when due, or with respect to the performance by the District of any other covenant made by it in the Installment Purchase Agreement or herein. Except as provided in this Agreement, the Trustee shall not have any obligation or liability to the Owners of the Certificates with respect to the payment of the Installment Payments by the District when due, or with respect to the performance by the District of any other covenant made by it in the Installment Purchase Agreement or herein.

Section 7.12 No Responsibility for Sufficiency. The Trustee shall not be responsible for the sufficiency of this Agreement, the Installment Purchase Agreement, or of the assignment made to it by the Assignment Agreement of rights to receive Installment Payments pursuant to the Installment Purchase Agreement, or the value of or title to the Project. The Trustee shall not be responsible or liable for selection or liquidation of investments or any losses, fees, taxes or other charges suffered in connection with any investment of funds, reinvestments or liquidations of investments made by it under the terms of and in accordance with this Agreement.

Section 7.13 Indemnification of Trustee. The District shall indemnify the Trustee (including all of its employees, officers and directors) and hold it harmless against any loss, claim, liability, expenses or advances, including but not limited to fees and expenses of counsel and other

experts, incurred or made without negligence or willful misconduct on the part of the Trustee, (i) in the exercise and performance of any of the powers and duties hereunder or under the Installment Purchase Agreement by the Trustee, (ii) relating to or arising out of the Project, or the conditions, occupancy, use, possession, conduct or management of, or work done in or about, or from the planning, design, acquisition, installation or construction of the Project or any part thereof, or (iii) arising out of or relating to any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of the Certificates, including the costs and expenses of defending itself against any claim of liability arising under this Agreement. Such indemnity shall survive payment of the Certificates and discharge of this Agreement or resignation or removal of the Trustee.

ARTICLE VIII

THE TRUSTEE

Section 8.1 Employment of Trustee. In consideration of the recitals hereinabove set forth and for other valuable consideration, the District hereby agrees to employ the Trustee to receive, hold, invest and disburse the moneys received pursuant to the Installment Purchase Agreement for credit to the various funds and accounts established by this Agreement; to execute, deliver and transfer the Certificates; and to apply and disburse the Installment Payments received from the District to the Owners of Certificates; and to perform certain other functions; all as herein provided and subject to the terms and conditions of this Agreement.

Section 8.2 Acceptance of Employment. In consideration of the compensation herein provided for, the Trustee accepts the employment above referred to subject to the terms and conditions of this Agreement.

Section 8.3 Trustee: Duties, Removal and Resignation. By executing and delivering this Agreement, the Trustee accepts the duties and obligations of the Trustee provided in this Agreement, but only upon the terms and conditions set forth in this Agreement.

The District may, by written request to the Trustee, remove the Trustee and appoint a successor Trustee; provided, however, that if the District is in default under the Installment Purchase Agreement, the Owners of a majority in aggregate principal amount of all Certificates Outstanding may, by written request to the Trustee, remove the Trustee and appoint a successor Trustee. Any such successor shall be a bank or trust company doing business and having a corporate trust office in California, which has (or the parent holding company of which has) a combined capital (exclusive of borrowed capital) and surplus of at least fifty million dollars (\$50,000,000) and subject to supervision or examination by federal or state authorities. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee may at any time resign by giving written notice to the District and by giving to the Certificate Owners notice of such resignation by mail at the addresses shown on the registration books maintained by the Trustee. Upon receiving such notice of removal, resignation or termination,

the District shall promptly appoint a successor Trustee by an instrument in writing; provided, however, that in the event that the District does not appoint a successor Trustee within thirty (30) days following receipt of such notice of resignation, the resigning Trustee may at the expense of the District petition the appropriate court having jurisdiction to appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon written acceptance of appointment by the successor Trustee.

Section 8.4 Compensation of the Trustee. The District shall from time to time, subject to any agreement in effect with the Trustee, pay to the Trustee compensation for its services and shall reimburse the Trustee (including all of its employees, officers and directors) for all its advances and expenditures, including but not limited to advances to and fees and expenses of independent appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties hereunder. Such compensation and reimbursement shall be paid by the District; provided, however, that the Trustee shall not otherwise have any claims, except in accordance with Section 7.13 hereof and Section 8.2 of the Installment Purchase Agreement, or lien for payment of compensation for its services against any other moneys held by it in the funds or accounts established hereunder but may take whatever legal actions are lawfully available to it directly against the District. The obligations of the District under this Section shall survive resignation or removal of the Trustee and payment of the Certificates and discharge of this Agreement.

Section 8.5 Protection of the Trustee. The Trustee shall be protected and shall incur no liability whatsoever in acting or refraining from acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been adopted, executed or delivered by the proper party or pursuant to any of the provisions of this Agreement, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to recognize any person as an Owner of any Certificate or to take any action at the request of any such person unless such Certificate shall be deposited with the Trustee or satisfactory evidence of the ownership of such Certificate shall be furnished to the Trustee. The Trustee may consult with counsel of its selection with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith.

Whenever in the administration of its duties under this Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by a certificate of the Corporation or the District and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions of this Agreement upon the faith thereof, but the Trustee may (but shall have no duty), in lieu thereof, accept other evidence of such matter or may require such additional evidence as shall be necessary.

The Trustee may buy, sell, own, hold and deal in any of the Certificates provided pursuant to this Agreement, and may join in any action which any Owner may be entitled to take with like effect as if the Trustee were not a party to this Agreement. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the District, and may act as

depository, trustee, or agent for any committee or body of Owners of Certificates or of obligations of the Corporation or the District as freely as if it were not Trustee hereunder.

The Trustee may, to the extent reasonably necessary, execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel of its selection concerning all matters of trust and its duties hereunder, and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent or receiver selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under this Agreement or in the performance of its duties hereunder or for anything whatever in connection with the funds and accounts established hereunder, except only for its own willful misconduct or negligence.

The recitals, statements and representations by the District or the Corporation contained in this Agreement or in the Certificates shall be taken and construed as made by and on the part of the District or Corporation and not by the Trustee and the Trustee does not assume, and shall not have, any responsibility or obligations for the correctness of any thereof.

The Trustee undertakes to perform such duties, and only such duties as are specifically set forth in this Agreement and no implied duties or obligations shall be read into this Agreement against the Trustee.

No provision in this Agreement shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity and all persons, including without limitation the Owners and the District or the Corporation having any claim against the Trustee arising from this Agreement shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise provided herein. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Certificates.

The Trustee makes no representation or warranty, express or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the District or the Corporation of the Project. In no event shall the Trustee be liable for incidental, indirect, special, punitive or consequential damages in connection with or arising from the Installment Purchase Agreement or this Agreement for the existence, furnishing or use of the Project.

The Trustee shall not be deemed to have knowledge or notice (in each case either actual or constructive) of any Event of Default hereunder or under the Installment Purchase Agreement unless and until it shall have actual knowledge thereof or have received written notice thereof at its Designated Corporate Trust Office at the address set forth in Section 11.11 hereof. The Trustee shall, during the existence of any Event of Default (which has not been cured) use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs. The Trustee shall, prior to an Event of Default, and after the curing or waiving of all Events of Default which may have occurred, perform such duties and only such duties

as are expressly and specifically set forth in this Agreement, and no implied covenants or duties shall be read into this Agreement against the Trustee.

The Trustee shall not be accountable for the use or application by the District, or the Corporation or any other party of any funds which the Trustee has released in accordance with the terms of this Agreement.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in the Trustee by this Agreement at the request, order or direction of any of the Owners pursuant to the provisions of this Agreement unless such Owners shall have offered to the Trustee indemnity satisfactory to it against the costs, claims, expenses and liabilities which may be incurred therein or thereby.

Section 8.6 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business (provided such company is eligible under Section 8.3 hereof), shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

ARTICLE IX

AMENDMENT OF TRUST AGREEMENT

Section 9.1 Amendments Permitted.

(a) This Agreement and the rights and obligations of the District and of the Owners of the Certificates and of the Trustee may be modified or amended at any time by an amendment hereto which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 11.4 hereof, shall have been filed, provided, however, that no such modification or amendment shall (1) extend the stated maturities of the Certificates, or reduce the rate of interest or yields-to-maturity, as the case may be, represented thereby, or extend the time of payment of interest, or reduce the amount of principal represented thereby, or reduce any premium payable on the prepayment thereof, without the consent of the Owner of each Certificate so affected, or (2) reduce the aforesaid percentage of Owners of Certificates whose consent is required for the execution of any amendment or modification of this Agreement, or (3) modify any of the rights or obligations of the Trustee or the Corporation without its written consent thereto.

(b) This Agreement and the rights and obligations of the Corporation and the District and of the Owners of the Certificates may also be modified or amended at any time by an amendment hereto which shall become binding upon adoption, without the consent of the Owners of any Certificates, but only to the extent permitted by law and only for any one or more of the following purposes —

(i) to add to the covenants and agreements of the Corporation or the District contained in this Agreement other covenants and agreements thereafter to be observed or to surrender any right or power herein reserved to or conferred upon the Corporation or the District, and which shall not adversely affect the interests of the Owners of the Certificates;

(ii) to cure, correct or supplement any ambiguous or defective provision contained in this Agreement or in regard to questions arising under this Agreement, as the Corporation or the District may deem necessary or desirable and which shall not adversely affect the interests of the Owners of the Certificates; and

(iii) to make such other amendments or modifications as may be in the best interests of the Owners of the Certificates.

Section 9.2 Endorsement or Replacement of Certificates After Amendment or Supplement. After the effective date of any action taken as hereinabove provided, the Trustee may determine that the Certificates may bear a notation by endorsement in form approved by the Trustee as to such action, and in that case upon demand of the Trustee to the Owner of any Outstanding Certificate and presentation of such Owner's Certificate for such purpose at the Designated Corporate Trust Office of the Trustee a suitable notation as to such action shall be made on such Certificate. If the Trustee shall so determine, new Certificates so modified as in the opinion of the Trustee shall be necessary to conform to such action shall be prepared, and in that case upon demand of the Trustee to the Owner of any Outstanding Certificates such new Certificates shall be exchanged at the Designated Corporate Trust Office of the Trustee without cost to each Owner for Certificates then Outstanding upon surrender of such Outstanding Certificates.

Section 9.3 Amendment of Particular Certificates. The provisions of this article shall not prevent any Owner from accepting any amendments to the particular Certificates held by him, provided that due notation thereof is made on such Certificates.

ARTICLE X

DEFEASANCE

Section 10.1 Discharge of Trust Agreement. When the obligations of the District under the Installment Purchase Agreement shall cease pursuant to Article IX of the Installment Purchase Agreement (except for the right of the Trustee and the obligation of the District to have the money and Permitted Investments mentioned therein applied to the payment of Installment Payments as therein set forth and the obligation to apply moneys on deposit in the Rebate Fund as provided in Section 5.6 herein), then and in that case the obligations created by this Agreement shall thereupon cease, terminate and become void except for the obligation of the District to direct the Trustee to apply money on deposit in the Rebate Fund as provided herein which shall continue until such moneys are so applied and the right of the Owners to have applied and the obligation of the Trustee to apply such moneys and Permitted Investments to the payment of the Certificates as herein set forth, and subject to application of moneys on deposit in the Rebate Fund as provided in Section 5.6, the Trustee shall turn over to the District, after provision for payment of amounts due the Trustee hereunder, as an overpayment of Installment Payments, any surplus in the Certificate Payment Fund and all balances remaining in any other funds or accounts other than moneys and Permitted Investments held for the payment of the Certificates at maturity or on prepayment, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the benefit of the Owners and shall be applied by the Trustee to the payment, when due, of the principal or interest and premium, if any, represented by the Certificates, and after such payment, this Agreement shall become void.

If moneys or securities described in clauses (a) and (m) of the definition of Permitted Investments are deposited with and held by the Trustee as hereinabove provided, the Trustee shall within thirty (30) days after such moneys or Permitted Investments shall have been deposited with it, mail a notice, first class postage prepaid, to the Owners at the addresses listed on the registration books kept by the Trustee pursuant to Section 2.8, setting forth (a) the date fixed for prepayment of the Certificates, (b) a description of the moneys or securities described in clauses (a) and (m) of the definition of Permitted Investments so held by it, and (c) that this Agreement has been released in accordance with the provisions of this Section.

Section 10.2 Deposit of Money or Securities with Trustee. Whenever in this Agreement or the Installment Purchase Agreement it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or prepay any Certificates, the money or securities to be so deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Agreement and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount represented by such Certificates and all unpaid interest represented thereby to maturity, except that, in the case of Certificates which are to be prepaid prior to maturity and in respect of which notice of such prepayment shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Prepayment Price and all unpaid interest to such date of prepayment if any, represented by such Certificates; or

(b) non-callable securities described in clauses (a) and (m) of the definition of Permitted Investments which will provide money sufficient to pay the principal at maturity or upon prepayment plus all accrued interest to maturity or to the prepayment date, as the case may be, represented by the Certificates to be paid or prepaid, as such amounts become due, plus premium, if any, provided that, in the case of Certificates which are to be prepaid prior to the maturity thereof, notice of such prepayment shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of this Agreement and the Installment Purchase Agreement or by Written Request of the District) to apply such money or securities to the payment of such principal or Prepayment Price and interest represented by such Certificates.

Section 10.3 Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of the interest, principal or Prepayment Price represented by any of the Certificates which remain unclaimed for one year after the date of deposit of such moneys if deposited with the Trustee after the date when the interest, principal or Prepayment Price represented by such Certificates have become payable, shall at the Written Request of the District be repaid by the Trustee to the District as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of the interest and principal or Prepayment Price represented by such Certificates; provided, however, that before being required to make any such payment to the District, the Trustee shall, at the Written Request of the District and at the expense of the District, first mail a notice to the owners of the Certificates so payable that such moneys remain unclaimed and that after a date named in such notice, which date

shall not be less than thirty (30) days after the date of the mailing of such notice, the balance of such moneys then unclaimed will be returned to the District.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Benefits of Trust Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the District, the Trustee, the Corporation and the Owners any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term required herein to be observed or performed by or on behalf of the District shall be for the sole and exclusive benefit of the Trustee, the Corporation and the Owners.

Section 11.2 Successor Deemed Included in all References to Predecessor. Whenever either the District, the Corporation or the Trustee or any officer thereof is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District, the Corporation or the Trustee or such officer, and all agreements, conditions, covenants and terms required hereby to be observed or performed by or on behalf of the District, the Corporation or the Trustee or any officer thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 11.3 Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or such Owner's attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of any Certificates and the amount, payment date, number and date of owing the same may be proved by the books required to be kept by the Trustee pursuant to the provisions of Section 2.8.

Any declaration, request or other instrument in writing of the Owner of any Certificate shall bind all future Owners of such Certificate with respect to anything done or suffered to be done by the District or the Trustee in good faith and in accordance therewith.

Section 11.4 Disqualified Certificates. Certificates owned or held by or for the account of the Corporation or the District (but excluding Certificates held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Certificates provided for in this Agreement, and shall not be entitled to consent to or take any other action provided for in this Agreement.

The District may adopt appropriate regulations to require each Owner of Certificates, before his consent provided for in this Agreement shall be deemed effective, to reveal if the Certificates as to which such consent is given are disqualified as provided in this Section.

Section 11.5 Waiver of Personal Liability. No director, officer or employee of the District or the Corporation shall be individually or personally liable for the payment of the interest, principal or the prepayment premiums, if any, represented by the Certificates, but nothing contained herein shall relieve any director, officer or employee of the District or Corporation from the performance of any official duty provided by any applicable provisions of law or by the Installment Purchase Agreement or hereby.

Section 11.6 Disposal of Certificates. Whenever in this Agreement provision is made for the cancellation by the Trustee of any Certificates, the Trustee shall dispose of such Certificates, in accordance with its then customary practices, and deliver a certificate of such disposal to the District.

Section 11.7 Headings. Headings preceding the text of the several Articles and Sections hereof, and the table of contents, are solely for convenience of reference and shall not constitute a part of this Agreement or affect its meaning, construction or effect.

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

Section 11.8 Funds and Accounts. Any fund required by this Agreement to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with sound industry practices and with due regard for the protection of the security of the Certificates and the rights of every Owner thereof.

Section 11.9 Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms required herein to be observed or performed by or on the part of the District, the Corporation or the Trustee shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void and shall be deemed separable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Certificates, and the Owners shall retain all the benefit, protection and security afforded to them under any applicable provisions of law. The District, the Corporation and the Trustee hereby declare that they would have executed this Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the execution and delivery of the Certificates pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstances may be held to be unconstitutional, unenforceable or invalid.

Section 11.10 California Law. THIS AGREEMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 11.11 Notices. All written notices to be given under this Agreement to the parties hereto shall be given by mail, facsimile or personal delivery to the party entitled thereto at its address and facsimile number set forth below, or at such address and facsimile number as the party may provide to the other parties in writing from time to time.

If to the District: 2890 Mosquito Road
Placerville, California 95667
Attention: General Manager
Facsimile: (530) 622-1195

If to the Corporation: 2890 Mosquito Road
Placerville, California 95667
Attention: President
Facsimile: (530) 622-1195

If to the Trustee: One California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust
Facsimile: (415) 273-2492

Section 11.12 Execution in Counterparts and Electronic Signing. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Agreement as to the parties hereto and may be used in lieu of the original Agreement and signature pages for all purposes. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Agreement or any document to be signed in connection with this Agreement shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

Section 11.13 Business Day. When any action is provided for herein to be done on a day named or within a specified time period, and the day or the last day of the period falls on a day other than a Business Day, such action may be performed on the next ensuing Business Day with the same effect as though performed on the appointed day or within the specified period with no interest accruing for the period after such nominal date.

IN WITNESS WHEREOF, the parties have executed and attested this Agreement by their officers hereunto duly authorized as of the date and year first written above.

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

By: _____
Authorized Signatory

EL DORADO IRRIGATION DISTRICT
FINANCING CORPORATION

By: _____
President

By: _____
Secretary

EL DORADO IRRIGATION DISTRICT

By: _____
President of the Board of Directors

By: _____
Secretary

[FORM OF CERTIFICATE OF PARTICIPATION]

EL DORADO IRRIGATION DISTRICT
 REVENUE CERTIFICATE OF PARTICIPATION, SERIES 2024A

Evidencing an Interest of the Owner Hereof
 in Installment Payments to be Made by the

EL DORADO IRRIGATION DISTRICT

INTEREST RATE: _____ %	CERTIFICATE PAYMENT DATE March 1, _____	DATED DATE _____, 2024	CUSIP 283059 _____
----------------------------------	--	------------------------------	---------------------------

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

THIS IS TO CERTIFY that the Registered Owner (specified above) of this Certificate of Participation (herein called the "Certificate") is the owner of an undivided interest in the right to receive certain Installment Payments (as that term is defined in the Trust Agreement hereinafter mentioned) under that certain Installment Purchase Agreement (the "Installment Purchase Agreement"), dated as of October 1, 2024, by and between El Dorado Irrigation District Financing Corporation (the "Corporation") and the El Dorado Irrigation District (the "District"). The Installment Payments to be made thereunder have been assigned to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), having a Designated Corporate Trust Office in San Francisco, California. The Trustee has executed and delivered \$_____ aggregate principal amount of Certificates.

The Registered Owner of this Certificate is entitled to receive, subject to the terms of the Installment Purchase Agreement and the Trust Agreement, dated as of October 1, 2024, by and among the Trustee, the Corporation and the District (the "Trust Agreement"), on the Certificate Payment Date (specified above) the Principal Amount (specified above) representing a portion of the Installment Payments designated as principal coming due on the Certificate Payment Date, and to receive an interest component on such principal component at the interest rate per annum specified above, from the Interest Payment Date (as hereinafter defined) preceding the date of execution hereof by the Trustee, unless such date of execution is after a Record Date (as hereinafter defined) and on or before the succeeding Interest Payment Date, in which case interest shall be payable from such Interest Payment Date, or unless such date of execution is on or before the first Record Date, in which case interest shall be payable from the Dated Date; provided, however, that if, as shown by the records of the Trustee, interest represented by this Certificate is in default, Certificates executed in exchange for this Certificate surrendered for transfer or exchange shall represent interest from the last date to which interest has been paid in full or duly provided for with respect to this Certificate,

or, if no interest has been paid or duly provided for with respect to this Certificate, from the Dated Date.

Interest with respect to this Certificate shall be paid on each March 1 and September 1, commencing March 1, 2025 (each, an “Interest Payment Date”), and continuing to and including the Certificate Payment Date or the date of prior prepayment hereof, whichever is earlier. Interest with respect to this Certificate shall be calculated on the basis of a 360-day year of twelve 30-day months. The principal with respect hereto and prepayment premiums, if any, are payable in lawful money of the United States of America upon presentation and surrender at the Designated Corporate Trust Office of the Trustee in San Francisco, California or such other office as the Trustee may from time to time designate in writing to the District, the Corporation and the registered owners (the “Designated Corporate Trust Office of the Trustee”). Interest with respect hereto is payable by check of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof as of the close of business on the fifteenth day of the calendar month prior to such Interest Payment Date (the “Record Dates”) at the address shown on the books maintained by the Trustee or, upon the written request received by the Trustee of an Owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer of immediately available funds to an account in the United States designated by such Owner prior to the applicable Record Date, except, in each case that, if and to the extent that there is a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the owner in whose name this Certificate is registered at the close of business on a special record date as determined by the Trustee.

This Certificate has been executed by the Trustee pursuant to the terms of the Trust Agreement. Copies of the Trust Agreement and the Installment Purchase Agreement are on file at the Designated Corporate Trust Office of the Trustee in San Francisco, California, and reference is made to the Trust Agreement and the Installment Purchase Agreement and any and all amendments thereto for a description of the pledges and covenants securing the Certificates, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the Certificates with respect thereto and the other terms and conditions upon which the Certificates are delivered thereunder.

The Certificates are payable from Installment Payments payable by the District and other amounts on deposit in certain funds and accounts held under the Trust Agreement, all in accordance therewith. All Revenues and all amounts on deposit in the Revenue Fund (as such terms are defined in the Installment Purchase Agreement) are irrevocably pledged to the payment of the Installment Payments and the Revenues shall not be used for any other purpose while any of the Installment Payments remain unpaid; provided that out of Revenues there may be apportioned such sums for such purposes as are expressly permitted in the Installment Purchase Agreement. This pledge, together with all other Contracts and Bonds (as such terms are defined in the Installment Purchase Agreement) constitutes a lien on Revenues, subject to application of Revenues and all amounts on deposit in the Revenue Fund as permitted in the Installment Purchase Agreement, and the Revenue Fund for the payment of the Installment Payments and all other Contracts and Bonds in accordance with the terms of the Installment Purchase Agreement and of the Trust Agreement. The obligation of the District to make Installment Payments is a special obligation of the District payable solely from Net Revenues (as defined in the Installment Purchase Agreement) and other funds described in the Installment Purchase Agreement 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 limitation or restriction. The District may at any time execute any Contract, the installment payments under which, or issue any Bonds (as such terms are defined in the Installment Purchase

Agreement), the payments of which are on a parity with the Installment Payments and which are secured by a pledge of and lien on the Revenues in accordance with the Installment Purchase Agreement.

The Certificates are authorized to be executed and delivered in the form of fully registered Certificates in the denomination of \$5,000 each or any integral multiple thereof; provided that no Certificate shall have principal represented thereby maturing in more than one year. Subject to the limitations and conditions and upon payment of the taxes and governmental charges provided in the Trust Agreement, Certificates may be exchanged for a like aggregate principal amount of Certificates of the same Certificate Payment Date of other authorized denominations at the Designated Corporate Trust Office of the Trustee.

Capitalized terms used herein and not defined herein have the meaning assigned thereto in the Trust Agreement.

This Certificate is transferable by the Registered Owner hereof, in person or by such person's duly authorized attorney, but only in the manner, subject to the limitations and conditions and upon payment of the taxes and governmental charges provided in the Trust Agreement, and upon surrender of this Certificate for cancellation at the Designated Corporate Trust Office of the Trustee, accompanied by delivery of a duly executed written instrument of transfer, in a form approved by the Trustee. Upon such transfer a new Certificate or Certificates of the same Certificate Payment Date and of authorized denomination or denominations, for a like aggregate principal amount will be delivered to the transferee in exchange herefor.

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

The Trustee shall not be required to register the transfer or exchange of any Certificate (i) within 15 days preceding selection of Certificates for prepayment or (ii) selected for prepayment.

The Certificates are subject to extraordinary prepayment 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 to the Trustee and by lot within each maturity in integral multiples of \$5,000, from prepaid Installment Payments made by the District from Net Proceeds (as defined in the Installment Purchase Agreement), under the circumstances and upon the terms prescribed in the Trust Agreement and the Installment Purchase Agreement, at a prepayment price equal to the principal amount thereof plus accrued interest evidenced and represented thereby to the date fixed for prepayment, without premium.

The Certificates with stated maturities on or after March 1, 203_ are subject to prepayment prior to such stated maturity, 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 not more than sixty (60) days nor less than twenty (20) days prior to such date and by lot within each maturity in integral multiples of \$5,000, on or after March 1, 203_, from amounts prepaid by the District pursuant to the Installment Purchase Agreement at a Prepayment Price equal to the principal amount of such Certificates to be prepaid plus accrued interest evidenced and represented thereby to the date fixed for prepayment without premium.

The Certificates with a stated maturity on March 1, 20__ are subject to mandatory sinking fund prepayment prior to such stated maturity, by lot, on each March 1 on and after March 1, 20__ in integral multiples of \$5,000 solely from scheduled Installment Payments paid by the District under the Installment Purchase Agreement, at a Prepayment Price equal to the principal amount thereof (together with accrued interest evidenced to the date fixed for prepayment), without premium, in accordance with the following schedule:

<i>Redemption Date</i> <i>(March 1)</i>	<i>Principal Amount</i> \$
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(maturity)

The Certificates with a stated maturity on March 1, 20__ are subject to mandatory sinking fund prepayment prior to such stated maturity, by lot, on each March 1 on and after March 1, 20__ in integral multiples of \$5,000 solely from scheduled Installment Payments paid by the District under the Installment Purchase Agreement, at a Prepayment Price equal to the principal amount thereof (together with accrued interest evidenced to the date fixed for prepayment), without premium, in accordance with the following schedule:

<i>Redemption Date</i> <i>(March 1)</i>	<i>Principal Amount</i> \$
--	-------------------------------

(maturity)

As provided in the Trust Agreement, notice of prepayment hereof shall be mailed, first class postage prepaid, not less than twenty (20) days nor more than sixty (60) days prior to the prepayment date, to the Registered Owner of this Certificate at the address thereof appearing on the Certificate registration books. If this Certificate is called for prepayment and payment is duly provided therefor as specified in the Trust Agreement, interest represented hereby shall cease to accrue from and after the date fixed for prepayment. Any defect in the notice or the mailing thereof will not affect the validity of the prepayment of this Certificate.

To the extent and in the manner permitted by the terms of the Trust Agreement and the Installment Purchase Agreement, as the case may be, the Trust Agreement and the rights and obligations of the District and of the registered owners of the Certificates and of the Trustee or the Installment Purchase Agreement and the rights and obligations of the Corporation and the District and the registered owners of the Certificates and the Trustee, respectively, may be modified or amended with the written consents of the registered owners of a majority in aggregate principal amount of the Certificates (as such term is defined in the Trust Agreement) then outstanding, provided, however, that no such modification or amendment shall (1) extend the stated maturities of the Certificates, or reduce the rate of interest or yield-to-maturity represented thereby, or extend the

time of payment of interest, or reduce the amount of principal represented thereby, or reduce any premium payable on the prepayment thereof, without the consent of the registered owner of each Certificate so affected, or (2) reduce the percentage of registered owners of Certificates whose consent is required for the execution of any amendment or modification of the Trust Agreement or the Installment Purchase Agreement, or (3) modify any of the rights or obligations of the Trustee or the Corporation without its written consent thereto.

To the extent and in the manner permitted by the terms of the Trust Agreement and the Installment Purchase Agreement, as the case may be, the Trust Agreement and the rights and obligations of the Corporation and the District and of the registered owners of the Certificates or the Installment Purchase Agreement and the rights and obligations of the Corporation and the District may also be modified or amended, without the consent of the Owners of any Certificates, but only to the extent permitted by law and only for any one or more of the following purposes:

- (1) to add to the covenants and agreements of the Corporation or the District contained in the Trust Agreement or the Installment Purchase Agreement other covenants and agreements thereafter to be observed or to surrender any right or power in the Trust Agreement or the Installment Purchase Agreement reserved to or conferred upon the Corporation or the District, and which shall not adversely affect the interests of the registered owners of the Certificates;
- (2) to cure, correct or supplement any ambiguous or defective provision contained in the Trust Agreement or the Installment Purchase Agreement or in regard to questions arising under the Trust Agreement or the Installment Purchase Agreement, as the Corporation or the District may deem necessary or desirable and which shall not adversely affect the interests of the registered owners of the Certificates; and
- (3) to make such other amendments or modifications as may be in the best interests of the registered owners of the Certificates.

Upon acceleration, the Installment Payments and the Certificates shall become due and payable immediately from the sources described in the Installment Purchase Agreement and the Trust Agreement, respectively.

The Trustee has no obligation or liability to the registered owners of the Certificates for the payment of interest, principal or prepayment premium, if any, with respect to the Certificates out of the Trustee's own funds; the Trustee's sole obligations are those described in the Trust Agreement. The recitals of facts herein shall be taken as statements of the District and the Corporation and the Trustee does not have any responsibility for the accuracy thereof.

The District has certified that all acts, conditions and things required by the Constitution and statutes of the State of California and the Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of this Certificate, do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an authorized signatory of the Trustee, all as of the date set forth below.

Execution date:

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

By _____
Authorized Signatory

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within mentioned Certificate and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the Certificate register of the Trustee with full power of substitution in the premises.

Dated: _____

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

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

EXHIBIT B

FORM OF DELIVERY COSTS FUND REQUISITION

The undersigned hereby states and certifies:

(i) that he is the duly appointed, qualified and _____ of the El Dorado Irrigation District, an irrigation district organized and existing under the laws of the State of California (the "District"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that, pursuant to Section 3.4 of that certain Trust Agreement, dated as of October 1, 2024 (the "Trust Agreement"), by and among the District, the El Dorado Irrigation District Financing Corporation and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), the undersigned hereby requests the Trustee, upon receipt of invoices from the payees designated on the attached Exhibit A, to disburse from the Delivery Costs Fund established under the Trust Agreement, to the payees the amounts set forth in such invoices but no more than the amounts set forth on Exhibit A, and such payments shall be made by check or wire transfer in accordance with the payment instructions set forth in Exhibit A or in invoices submitted in accordance therewith and the Trustee may rely on such payment instructions though given by the District with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein;

(iii) that each obligation mentioned herein has been incurred by the District and is a proper charge against the Delivery Costs Fund; and

(iv) that there has not been filed with or served upon the District notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the payees named on the attached Exhibit A, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

Capitalized terms used herein and not defined shall have the meanings given to such terms in the Trust Agreement.

Dated:

EL DORADO IRRIGATION DISTRICT

By: _____
Its:

\$63,060,000*

EL DORADO IRRIGATION DISTRICT
REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2024A

Dated: Date of Issuance
cover

Due: March 1, as set forth on the inside

The 2024A Certificates are being executed and delivered to provide funds to (i) finance the acquisition of certain facilities for the District’s Water System, and (ii) pay costs of delivery of the 2024A Certificates, all as more fully described herein. The 2024A Certificates are being delivered pursuant to the Trust Agreement, dated as of October 1, 2024, by and among the District, the El Dorado Irrigation District Financing Corporation and U.S. Bank Trust Company, National Association, as trustee. The 2024A Certificates are payable solely from Installment Payments to be made by the District to the Corporation pursuant to the Installment Purchase Agreement, dated as of October 1, 2024, by and between the District and the Corporation, and amounts on deposit in certain funds and accounts created under the 2024 Trust Agreement. Interest with respect to the 2024A Certificates is payable on each March 1 and September 1 commencing March 1, 2025, until the maturity thereof.

The 2024A Certificates are subject to optional, mandatory and extraordinary prepayment, as more fully described herein.

The 2024A Certificates are being executed and delivered in fully registered form and when the 2024A Certificates 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 2024A Certificates. Purchasers of beneficial interests will not receive certificates representing their interest in the 2024A Certificates. So long as Cede & Co. is the registered owner of the 2024A Certificates, 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 2024A Certificates. Individual purchases of the 2024A Certificates will be made in book-entry form only in authorized denominations of \$5,000 or any integral multiple thereof. The principal of and interest evidenced by the 2024A Certificates 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 2024A Certificates.

The obligations of the District to make Installment Payments are special obligations of the District payable solely from Net Revenues. Net Revenues consist of Net Water System Revenues and Net Wastewater System Revenues, which are Water System Revenues and Wastewater System Revenues remaining after payment of Water System Operation and Maintenance Costs and Wastewater System Operation and Maintenance Costs, respectively. **The obligations of the District to make Installment Payments are irrevocable obligations of the District payable solely from District Net Revenues but do not constitute obligations of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. The obligations of the District to make Installment Payments do not constitute debt of the District, the State of California or any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.**

The obligations of the District to make Installment Payments are payable from District Net Revenues are on a parity with Parity Payments outstanding in the aggregate principal amount of \$312,805,000 and senior to the payment of debt service on the District’s Refunding Revenue Bonds, Taxable Series 2022A, outstanding in the principal amount of \$63,960,000, as further described herein. The District may incur additional obligations payable from District Net Revenues on a parity with, or subordinate to, the obligation to make Installment Payments, subject to the terms and conditions of the 2024 Installment Purchase Agreement, as more fully described herein.

In the opinion of Stradling Yocca Carlson & Rauth LLP, Special Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described in this Official Statement, the portion of each Installment Payment constituting interest (and original issue discount) with respect to the 2024A Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Special Counsel, each Installment Payment constituting interest (and original issue discount) with respect to the 2024A Certificates is exempt from State of California personal income tax. See “TAX MATTERS” with respect to certain tax consequences relating to the Bonds, including with respect to the alternative minimum tax imposed on certain large corporations.

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 2024A Certificates are offered when, as and if executed or issued and received by the Underwriter, subject to the approval as to the legality of the 2024 Installment Purchase Agreement and the 2024 Trust Agreement by Stradling Yocca Carlson & Rauth LLP, Special Counsel, and certain other conditions. The Underwriter is being represented by its counsel, Kutak Rock LLP. Certain legal matters will be passed upon for the District and the Corporation by Brian D. Poulsen, Esq., General Counsel and for the Trustee by its counsel. It is anticipated that the 2024A Certificates will be available for delivery through the facilities of The Depository Trust Company on or about October, __, 2024.

J.P. Morgan

Dated: October __, 2024

Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

MATURITY SCHEDULE

\$ _____
EL DORADO IRRIGATION DISTRICT
REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2024A

<i>Maturity Date</i> <i>(March 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>
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\$ _____ % Term 2024A Certificates Due March 1, 20 __, Yield _____ %, Price _____

\$ _____ % Term 2024A Certificates Due March 1, 20 __, Yield _____ %, Price _____

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 2024A Certificates 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 2024A Certificates. 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.

THE UNDERWRITER MAY OFFER AND SELL THE 2024A CERTIFICATES 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 2024A CERTIFICATES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE 2024A CERTIFICATES 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 2024A Certificates. References to website 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 websites 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**

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

DISTRICT STAFF

Jim Abercrombie, General Manager
Jamie Bandy, Finance Director

SPECIAL SERVICES

General Counsel

Brian D. Poulsen, Esq.

Special Counsel

Stradling Yocca Carlson & Rauth LLP
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 2024A Certificates 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.

Purpose of the 2024A Certificates. The 2024A Certificates are being executed and delivered to provide funds to (i) finance the acquisition of certain facilities for the District's Water System, and (ii) pay costs of delivery of the 2024A Certificates, all as more fully described herein.

Security for the 2024A Certificates. The obligation of the District to make Installment Payments is a special obligation of the District payable solely from Net Revenues. Net Revenues consist of Net Water System Revenues and Net Wastewater System Revenues, which are Water System Revenues and Wastewater System Revenues remaining after payment of Water System Operation and Maintenance Costs and Wastewater System Operation and Maintenance Costs, respectively.

The obligation of the District to make the Installment Payments is a special obligation of the District payable solely from the Net Revenues, and does not constitute a debt of the District or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction. Notwithstanding anything contained in the 2024 Trust Agreement or the 2024 Installment Purchase Agreement, the District shall not be required to advance any moneys derived from any source of income other than the Revenues and the Revenue Fund for the payment of amounts due under the 2024 Installment Purchase Agreement or for the performance of any agreements or covenants required to be performed by it contained therein. The District may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

The obligations of the District to make Installment Payments are payable from District Net Revenues on a parity with Parity Payments outstanding in the aggregate principal amount of \$312,805,000 and senior to the payment of debt service on the District's Refunding Revenue Bonds, Taxable Series 2022A, outstanding in the principal amount of \$63,960,000, as further described herein. The District may incur additional obligations payable from District Net Revenues on a parity with, or subordinate to, the obligation to make Installment Payments, subject to the terms and conditions of the 2024 Installment Purchase Agreement, as more fully described herein.

Rate Covenants. The 2024 Installment Purchase Agreement 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 twenty-five percent (125%) 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 twenty-five percent (125%) 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 subsection (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 2024 Installment Purchase Agreement permits the District to execute any Contracts or issue any Bonds payable from Net Revenues on a parity with the obligation to make Installment Payments, provided that certain conditions are satisfied as herein described.

The 2024 Installment Purchase Agreement also permits the District to incur evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of lien on Net Revenues, provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon under the 2024 Installment Purchase Agreement.

No Reserve Fund. No Reserve Fund has been established or will be funded with respect to the 2024A Certificates.

Prepayment. The 2024A Certificates are subject to optional, mandatory and extraordinary prepayment as 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 1,137 miles of water pipe, 24 miles of ditches, 5 water treatment plants, 4 sewage treatment facilities, 456 miles of sewer lines, 60 lift stations, 37 water and 5 recycled water storage and regulating reservoirs and 38 water and 5 recycled water pump stations. The District's water treatment plants have a total treatment capacity of approximately 102.6 million gallons per day (mgd). 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, 2023, the District provided water service to approximately 43,568 domestic, commercial, industrial, recreational, municipal and agricultural connections 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, 2023, the District provided wastewater treatment, disposal, and reclamation services to approximately 25,236 domestic, commercial and industrial connections in the suburban areas of Cameron Park, Diamond Springs, El Dorado, El Dorado Hills and Shingle Springs, recycled water to approximately 5,686 connections 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.

\$63,060,000*
EL DORADO IRRIGATION DISTRICT
REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2024A

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 Revenue Certificates of Participation, Series 2024A (the “2024A Certificates”).

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 2024A Certificates have the meanings ascribed to them in Appendix B.

The 2024A Certificates

General. The 2024A Certificates represent the interests of the registered owners thereof (the “Certificate Owners”) in installment payments (the “Installment Payments”) payable by the El Dorado Irrigation District (the “District”) under the Installment Purchase Agreement, dated as of October 1, 2024 (the “2024 Installment Purchase Agreement”), by and between the District and the El Dorado Irrigation District Financing Corporation, a nonprofit public benefit corporation (the “Corporation”). The 2024A Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of October 1, 2024 (the “Trust Agreement”), by and among the District, the Corporation and U.S. Bank Trust Company, National Association, San Francisco, California, as trustee (the “Trustee”). Pursuant to an Assignment Agreement, dated as of October 1, 2024 (the “Assignment Agreement”), by and between the Corporation and the Trustee, the Corporation has assigned to the Trustee for the benefit of the Owners of the 2024A Certificates substantially all its rights under the 2024 Installment Purchase Agreement, including the right of the Corporation to receive Installment Payments payable under the 2024 Installment Purchase Agreement and the right of the Corporation to enforce payment by the District of such Installment Payments when due.

Purpose. The 2024A Certificates are being executed and delivered to provide funds to (i) finance the acquisition of certain facilities for the District’s Water System, and (ii) pay costs of delivery of the 2024A Certificates. See the captions “PLAN OF FINANCE—The Project” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Security. The obligation of the District to make Installment Payments is a special obligation of the District payable solely from Net Revenues of the District’s Water System and the District’s Wastewater System, consisting of District’s Water System Revenues remaining after payment of District’s Water System Operation and Maintenance Costs and District Wastewater System Revenues remaining after payment of District Wastewater System Operation and Maintenance Costs, respectively.

The obligation of the District to make Installment Payments 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 make Installment Payments 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.

* Preliminary, subject to change.

The obligations of the District to make Installment Payments are payable from District Net Revenues on a parity with Parity Payments outstanding in the aggregate principal amount of \$312,805,000 and senior to the payment of debt service on the District's Refunding Revenue Bonds, Taxable Series 2022A, outstanding in the principal amount of \$63,960,000, as further described herein.

Rate Covenants. The 2024 Installment Purchase Agreement 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 twenty-five percent (125%) 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 twenty-five percent (125%) 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 subsection (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 2024 Installment Purchase Agreement permits the District to execute any Contracts or issue any Bonds payable from Net Revenues on a parity with the obligation to make Installment Payments, provided that certain conditions are satisfied as herein described. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE 2024A CERTIFICATES—Additional Indebtedness."

The 2024 Installment Purchase Agreement also permits the District to incur evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of lien on Net Revenues, provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon under the 2024 Installment Purchase Agreement.

No Reserve Fund. No Reserve Fund has been established or will be funded with respect to the 2024A Certificates.

Prepayment. The 2024A Certificates are subject to optional, mandatory and extraordinary prepayment as described herein.

Miscellaneous

The summaries and references to the 2024 Trust Agreement, the 2024 Installment Purchase Agreement 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, Trust Agreement, 2024 Installment Purchase Agreement 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 2024A Certificate 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 Jaime Bandy, 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 2024A Certificates 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 2024), 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.” 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.

PLAN OF FINANCE

The Project

The proceeds of the 2024A Certificates are expected to be used by the District to undertake the following projects for the Water System (collectively, the “Project”): Sly Park Intertie improvements, El Dorado Hills Water Treatment Plant Improvements, various water storage tank and flume replacements, and Reservoir 1 water treatment plant improvements. Certain of such costs have previously been paid by the District and a portion of the proceeds of the 2024A Certificates are expected to be used to reimburse the District for such prior expenditures. The District currently expects to receive all necessary environmental and other approvals in connection with the Project in a timely manner and consistent with its expenditure of the 2024A Certificates proceeds described above.

Pursuant to the terms of the 2024 Installment Purchase Agreement, the District has the right to substitute projects for the Project. See Appendix B—“DEFINITIONS AND SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE

INSTALLMENT PURCHASE AGREEMENT— ACQUISITION OF THE PROJECT—Changes to the Project.” The District is currently constructing certain components of the Project and expects to complete all components of the Project described above on or before [October 2027].

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of the proceeds of the 2024A Certificates:

Sources:

Principal Amount
Plus Original Issue Premium
Total Sources

Uses:

Deposit to Acquisition Fund
Underwriter’s Discount
Deposit to Costs of Issuance Fund⁽¹⁾
Total Uses

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

THE 2024A CERTIFICATES

General Provisions

The 2024A Certificates will be executed and delivered in the aggregate principal amount of \$63,060,000*. The 2024A Certificates will be dated as of the date of initial delivery thereof (the “Delivery Date”), will represent interest from such date at the rates per annum set forth on the inside front cover page hereof, payable semiannually on each March 1 and September 1, commencing March 1, 2025 (each, a “Payment Date”), and will mature on the dates set forth on the inside front cover page hereof. Interest with respect to the 2024A Certificates will be computed on the basis of a 360-day year of twelve thirty-day months.

The 2024A Certificates will be delivered only in fully registered form and, when executed and delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the 2024A Certificates. Ownership interests in the 2024A Certificates 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 the book-entry only system described below is discontinued, the principal and prepayment premium (if any) evidenced by any 2024A Certificates are payable by check of the Trustee upon presentation and surrender thereof at maturity or upon prior prepayment at the Designated Corporate Trust Office of the Trustee in San Francisco, California (the “Designated Corporate Trust Office of the Trustee”). Interest with respect to the 2024A Certificates shall be payable by check of the Trustee mailed by first class mail on each Payment Date of the 2024A Certificates to the respective 2024A Certificate Owners of record thereof as of the close of business on the fifteenth day of the calendar month preceding such Payment Date (the “Record Date”), whether or not such day is a Business Day at the addresses shown on the books required to be kept pursuant to the 2024 Trust Agreement or, upon the written request received by the Trustee of an Owner of at least \$1,000,000 in aggregate principal amount of the 2024A Certificates, by wire transfer of immediately available funds to an account in the United States designated by such Owner prior to the applicable Record Date.

* Preliminary, subject to change.

Interest with respect to the 2024A Certificates shall be payable from the Payment Date preceding their date of execution, unless such date shall be after a Record Date and on or before the succeeding Payment Date, in which case interest shall be payable from such Payment Date or unless such date shall be on or before February 15, 2025, in which case interest shall be payable as of the date of initial delivery thereof provided, however, that if, as shown by the records of the Trustee, interest represented by the 2024A Certificates shall be in default, 2024A Certificates executed in exchange for 2024A Certificates surrendered for transfer or exchange shall represent interest from the last date to which interest has been paid in full or duly provided for with respect to the 2024A Certificates, or, if no interest has been paid or duly provided for with respect to the 2024A Certificates, as of the date of initial delivery thereof.

Book-Entry Only System

Prior to the execution and delivery of the 2024A Certificates, the District may provide that such 2024A Certificates shall be initially executed and delivered as book-entry 2024A Certificates. If the District shall elect to deliver any 2024A Certificates in book-entry form, then the District shall cause the delivery of a separate single fully registered certificate (which may be typewritten) for each maturity date of such 2024A Certificates in an authorized denomination corresponding to that total principal amount of the 2024A Certificates designated to mature on such date. Upon initial execution and delivery, the ownership of each such 2024A Certificate shall be registered in the 2024A Certificate registration books in the name of the Nominee, as nominee of the Depository and ownership of the 2024A Certificates, or any portion thereof may not thereafter be transferred except as provided in the 2024 Trust Agreement.

With respect to book-entry 2024A Certificates, 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 2024A Certificates. 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 2024A Certificates, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the 2024A Certificate registration books, of any notice with respect to book-entry 2024A Certificates, including any notice of prepayment, (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry 2024A Certificates to be prepaid in the event the District prepays the 2024A Certificates in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to principal, premium, if any, or interest with respect to book-entry 2024A Certificates. The District and the Trustee may treat and consider the person in whose name each book-entry 2024A Certificate is registered in the 2024A Certificate registration books as the absolute Owner of such book-entry 2024A Certificate for the purpose of payment of principal, premium, if any, and interest with respect to such 2024A Certificate, for the purpose of giving notices of prepayment and other matters with respect to such 2024A Certificate, for the purpose of registering transfers with respect to such 2024A Certificate, and for all other purposes whatsoever. The Trustee shall pay all principal, premium, if any, and interest with respect to the 2024A Certificates only to or upon the order of the respective Owner, as shown in the 2024A Certificate register, 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 evidenced and represented by the 2024A Certificates to the extent of the sum or sums so paid. No person other than an Owner, as shown in the 2024A Certificate registration books, shall receive a 2024A Certificate evidencing the obligation to make payments of principal, premium, if any, and interest evidenced and represented by the 2024A Certificates. Upon delivery by the Depository to the Owner 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 in the 2024 Trust Agreement with respect to Record Dates, the word Nominee in this Agreement shall refer to such nominee of the Depository.

Transfers and Exchanges Upon Termination of Book-Entry Only System

Any 2024A Certificate may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of the 2024 Trust Agreement, by the person in whose name it is registered,

in person or by such person's duly authorized attorney, upon surrender of such 2024A Certificate for cancellation at the Designated Corporate Trust Office of the Trustee, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee.

Whenever any 2024A Certificate or 2024A Certificates shall be surrendered for transfer, the Trustee shall execute and deliver a new 2024A Certificate or 2024A Certificates of the same maturity, for a like aggregate principal amount and of authorized denomination or denominations. The Trustee may charge a sum for each new 2024A Certificate executed and delivered upon any transfer. The Trustee may require the payment by any 2024A Certificate Owner requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer. Following any transfer of 2024A Certificates the Trustee shall cancel and dispose of the 2024A Certificates it has received, in accordance with its then customary practices.

2024A Certificates may be exchanged at the Designated Corporate Trust Office of the Trustee, for a like aggregate principal amount of 2024A Certificates of other authorized denominations of the same maturity. The Trustee may charge a sum for each new 2024A Certificate executed and delivered upon any exchange except in the case of any exchange of temporary 2024A Certificates for definitive 2024A Certificates. The Trustee may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. Following any exchange of 2024A Certificates the Trustee shall cancel and dispose of the 2024A Certificates it has received, in accordance with its then customary practices.

The Trustee shall not be required to register the exchange, or transfer pursuant to the 2024 Trust Agreement, of any 2024A Certificate (i) within 15 days preceding selection of 2024A Certificates for prepayment or (ii) selected for prepayment.

Prepayment of the 2024A Certificates

Optional Prepayment. The 2024A Certificates with stated maturities on or after March 1, 20__ are subject to prepayment prior to such stated maturity, 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 not more than 60 days nor less than 20 days prior to such date and by lot within each maturity in integral multiples of \$5,000, on or after March 1, 20__, from amounts prepaid by the District pursuant to the 2024 Installment Purchase Agreement at a Prepayment Price equal to the principal amount of such 2024A Certificates to be prepaid plus accrued interest evidenced and represented thereby to the date fixed for prepayment without premium.

Mandatory Sinking Fund Prepayment. The 2024A Certificates with a stated maturity on March 1, 20__ are subject to mandatory sinking fund prepayment prior to such stated maturity, by lot, on each March 1 on and after March 1, 20__ in integral multiples of \$5,000 solely from scheduled Installment Payments paid by the District under the 2024 Installment Purchase Agreement, at a Prepayment Price equal to the principal amount thereof (together with accrued interest evidenced to the date fixed for prepayment), without premium, in accordance with the following schedule:

<i>Prepayment Date</i> <i>(March 1)</i>	<i>Principal Amount</i> \$
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(maturity)

The 2024A Certificates with a stated maturity on March 1, 20__ are subject to mandatory sinking fund prepayment prior to such stated maturity, by lot, on each March 1 on and after March 1, 20__ in integral multiples of \$5,000 solely from scheduled Installment Payments paid by the District under the 2024

Installment Purchase Agreement, at a Prepayment Price equal to the principal amount thereof (together with accrued interest evidenced to the date fixed for prepayment), without premium, in accordance with the following schedule:

<i>Prepayment Date</i> <i>(March 1)</i>	<i>Principal Amount</i>
	\$

(maturity)

Extraordinary Prepayment. The 2024A Certificates are subject to extraordinary prepayment 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 prior to such date and by lot within each maturity in integral multiples of \$5,000 from prepaid Installment Payments made by the District from Net Proceeds, upon the terms and conditions of, and as provided for in the 2024 Trust Agreement and the 2024 Installment Purchase Agreement, at a Prepayment Price equal to the principal amount thereof plus accrued interest evidenced and represented thereby to the date fixed for prepayment, without premium.

Notice of Prepayment

Notice of prepayment shall be mailed, first class postage prepaid or provided through other electronically secure means to be determined by the District and communicated to the Trustee in writing, to the respective Owners of any 2024A Certificates designated for prepayment at their addresses appearing on the 2024A Certificate registration books and to the Information Services and by registered or certified or overnight mail to the Securities Depositories at least 20 days but not more than 60 days prior to the prepayment date.

Each notice of prepayment shall state the date of notice, the prepayment date, the place or places of prepayment and the Prepayment Price, shall designate the maturities, CUSIP numbers, if any, and, if less than all 2024A Certificates of any such maturity are to be prepaid, the serial numbers of the 2024A Certificates of such maturity to be prepaid by giving the individual number of each 2024A Certificate or by stating that all 2024A Certificates between two stated numbers, both inclusive, have been called for prepayment and, in the case of 2024A Certificates to be prepaid in part only, the respective portions of the principal amount thereof to be prepaid. Each such notice shall also state that on said date there will become due and payable with respect to each of said 2024A Certificates the Prepayment Price thereof or of said specified portion of the principal represented thereby in the case of a 2024A Certificate to be prepaid in part only, together with interest accrued with respect thereto to the prepayment date, and that (provided that moneys for prepayment have been deposited with the Trustee) from and after such prepayment date interest with respect thereto shall cease to accrue, and shall require that such 2024A Certificates be then surrendered to the Trustee. Any defect in the notice or the mailing thereof will not affect the validity of the prepayment of any 2024A Certificate.

Notice of prepayment of 2024A Certificates shall be given by the Trustee on behalf of and at the expense of the District.

EL DORADO IRRIGATION DISTRICT PAYMENT SCHEDULE

Set forth below is a schedule of District Installment Payments, payments with respect to other District Contracts and Bonds and payments with respect to the District’s Refunding Revenue Bonds, Taxable Series 2022A (the “2022A Bonds”) (which are payable from Net Revenues subordinate to the Contracts and Bonds, including the 2024 Installment Purchase Agreement), due during the period ending December 31 in each of the years indicated:

<i>Year Ending December 31</i>	<i>Installment Payments</i>		<i>District Contracts and Bonds⁽¹⁾</i>	<i>Total Parity Payments</i>	<i>2022A Bonds⁽²⁾</i>	<i>Total</i>
	<i>Principal</i>	<i>Interest</i>				
2024			\$15,595,043		\$6,295,261	
2025			26,441,015		5,534,631	
2026			26,443,026		5,742,317	
2027			26,444,792		5,880,622	
2028			26,440,999		6,013,695	
2029			26,434,443		6,155,011	
2030			26,443,182		6,304,502	
2031			26,439,118		5,903,244	
2032			26,438,210		5,649,716	
2033			26,443,461		5,297,421	
2034			26,445,521		5,146,649	
2035			26,439,592		4,936,844	
2036			26,363,684		4,543,171	
2037			12,821,664		4,335,877	
2038			12,822,239		4,120,790	
2039			12,820,611		3,961,807	
2040			4,373,900		3,861,107	
2041			4,372,600		3,171,936	
2042			4,375,500		2,562,663	
2043			4,373,400		2,274,457	
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			4,375,800		--	
2051			--		--	
2052			--		--	
2053			--		--	
2054			--		--	
Total			\$419,397,899		\$97,691,721	

(1) Contracts and Bonds include approximately \$312,805,000 aggregate principal amount in Parity Payments. See the captions “INTRODUCTION” and “THE EL DORADO IRRIGATION DISTRICT—Other Outstanding Revenue Obligations.”

(2) Reflects debt service on the District’s 2022A Bonds which are currently outstanding in the principal amount of \$63,690,000. Source: District.

SECURITY AND SOURCES OF PAYMENT FOR THE 2024A CERTIFICATES

Special Obligations Payable From Net Revenues

Under the 2024 Trust Agreement, all Installment Payments are irrevocably pledged to, and shall be used for, the punctual payment of the 2024A Certificates, and the Installment Payments shall not be used for any other purpose while any of the 2024A Certificates remain Outstanding. Under the 2024 Installment Purchase Agreement, all Revenues and all amounts on deposit in the Revenue Fund are irrevocably pledged to

the payment of the Installment Payments as provided therein and the Revenues shall not be used for any other purpose while any of the Installment Payments remain unpaid.

The 2024 Installment Purchase Agreement provides, that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted in the 2024 Installment Purchase Agreement. Said pledge, together with the pledge created for the benefit of other Bonds and Contracts, constitutes a lien on and security interest on Revenues and, subject to application of Revenues and all amounts on deposit therein as permitted in the 2024 Installment Purchase Agreement, 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 Installment Payments in accordance with the terms of the 2024 Installment Purchase Agreement, 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 2024 Installment Purchase Agreement.

In order to carry out and effectuate the pledge and lien contained in the 2024 Installment Purchase Agreement, 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 Installment Payments remain unpaid. Moneys in the Revenue Fund shall be used and applied by the District as provided in the 2024 Installment Purchase Agreement. 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 2024 Installment Purchase Agreement.

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 applied by the District at the times for the transfer to the special funds in the order of priority set forth in the 2024 Installment Purchase Agreement; 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 2024 Installment Purchase Agreement.

THE OBLIGATIONS OF THE DISTRICT TO MAKE INSTALLMENT PAYMENTS ARE IRREVOCABLE OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM DISTRICT NET REVENUES BUT DO NOT CONSTITUTE OBLIGATIONS OF THE DISTRICT FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATIONS OF THE DISTRICT TO MAKE INSTALLMENT PAYMENTS DO NOT CONSTITUTE DEBT OF THE DISTRICT, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

Rate Covenants

The 2024 Installment Purchase Agreement 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 twenty-five percent (125%) 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 twenty-five percent (125%) 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 Net Water System Revenues or Net Wastewater System Revenues, as applicable, from such reduced rates and charges are reasonably expected to be sufficient to meet the requirements of the 2024 Installment Purchase Agreement.

Additional Indebtedness

The 2024 Installment Purchase Agreement do not authorize the issuance of bonds or other obligations secured by Revenues on a senior basis to Bonds and Contracts (including the 2024 Installment Purchase Agreement). The District may at any time execute any Contract or issue any Bonds, as the case may be, in accordance with the 2024 Installment Purchase Agreement; 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, 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 Debt Service for such Fiscal Year; 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, 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 Debt Service for such Fiscal Year plus the Debt Service which would have accrued on any Contracts executed or Bonds issued since the end of such Fiscal Year assuming such Contracts had been executed or Bonds had been issued at the beginning of such Fiscal Year, plus the Debt Service which would have accrued had such Contract been executed or Bonds been issued at the beginning of such Fiscal Year; 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 twenty-five percent (125%) 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 2024 Installment Purchase Agreement, 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 execution and delivery of the 2024 Installment Purchase Agreement has or will take place.

No Reserve Fund for the 2024A Certificates

No Reserve Fund has been established or will be funded with respect to the 2024A Certificates.

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 1,137 miles of water pipe, 24 miles of ditches, 5 water treatment plants, 4 sewage treatment facilities, 456 miles of sewer lines, 60 lift stations, 37 water and 5 recycled water storage and regulating reservoirs and 38 water and 5 recycled water pump stations. The District’s water treatment plants have a total treatment capacity of approximately 102.6 million gallons per day (mgd). 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, 2023, the District provided water service to approximately 43,568 domestic, commercial, industrial, recreational, municipal and agricultural connections 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, 2023, the District provided wastewater treatment, disposal, and reclamation services to approximately 25,236 domestic, commercial and industrial connections in the suburban areas of Cameron Park, Diamond Springs, El Dorado, El Dorado Hills and Shingle Springs, recycled water to approximately 5,686 connections 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 2024, the population of the service area of the District was approximately 133,100, accounting for approximately 71% of the total population of El Dorado County of 188,583 according to the California Department of Finance, estimated as of January 1, 2024.

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 2023, the District has annexed approximately 9,949 acres to its service area, which now covers approximately 220 square miles. Territory annexed and served is required to construct their local water and sewer distribution system and also pay Facility Capacity Charges (connection fees).

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>
Alan Day, President	December 2024	Landscape and irrigation designer/contractor
Pat Dwyer, Vice President	December 2026	Retired operations and logistics director
Lori Anzini	December 2026	Retired information technology consultant
George W. Osborne	December 2024	Retired senior California Department of Forestry and Fire Protection Official
Brian K. Veerkamp	December 2024	Retired fire chief

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 a past 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

Summary of Employees. The District has a labor force of approximately 233 employees. Compared to the number of service connections (74,490), the District has an employee-to-service-connection ratio of 319.7-to-1, which is favorable when compared with similar agencies. There are two organized bargaining units, the Association of El Dorado Irrigation District Employees and the El Dorado Irrigation District Managers and Supervisors Employee Association. Together, these labor organizations represent approximately 219 employees. Those not represented by organized labor fall within the District’s Confidential and Contract employees’ group. This group includes staff in the Human Resources Department and several other support staff. The General Manager, the General Counsel, and all five of the Department Directors (Finance, Engineering, Operations, Human Resources, and Information Technology), each of whom is employed by an at-will employment contract.

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 (“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, 2023, 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	50-55	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%	7.5%
Required Employer Contribution Rates: ⁽¹⁾			
July 1 to December 31	42.030%	42.030%	42.030%
January 1 to June 30	42.030%	42.030%	42.030%

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

As of the June 30, 2023 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	351
Inactive Employees Entitled to but Not Yet Receiving Benefits	166
Active employees	<u>229</u>
Total	746

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. Consequently, contributions to the Plan are comprised of two components, 1) Normal Cost, expressed as a percentage of total active payroll, and 2) Amortization of the Unfunded Accrued Liability (“UAL”), expressed as a dollar amount. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

In 2022, the District issued its Refunding Revenue Bonds, Taxable Series 2022A (the “2022A Bonds”) to refund the then-unamortized, unfunded accrued actuarial liability with respect to the District’s CalPERS plans. As a result, while the District continues to contribute towards the costs of benefits earned by employees during the year (Normal Cost) the District did not have any required employer UAL contributions to CalPERS for the year ended June 30, 2024.

The foregoing projections assumed the investment return for fiscal year 2022-23 was 6.8 percent. CalPERS announced a preliminary investment return of 5.8 percent for fiscal year 2022-23. As a result, the actual contribution requirements for the fiscal years 2024-25 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 6.80% Return for Fiscal Year 2025-26 and Beyond)</i>				
	<i>2024-25</i>	<i>2025-26</i>	<i>2026-27</i>	<i>2027-28</i>	<i>2028-29</i>	<i>2029-30</i>
Miscellaneous Plan						
Normal Cost %	11.31%	11.0%	10.8%	10.5%	10.2%	10.0%
UAL Payment	\$469,409	\$634,000	\$799,000	\$964,000	\$1,129,000	\$1,129,000
Total as a % of Payroll*	13.48%	13.9%	14.3%	14.6%	14.9%	14.5%
Projected Payroll	\$21,636,242	\$22,242,057	\$22,864,834	\$23,505,050	\$24,163,191	\$24,839,791

* Illustrative only and based on the projected payroll shown.
Source: CalPERS’ actuarial valuation report as of June 30, 2023.

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, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. For the June 30, 2023 measurement period, total pension liabilities were based on a June 30, 2022 actuarial valuation date and the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Salary Increase ⁽¹⁾	3.2% - 12.2%
Investment Rate of Return ⁽²⁾	6.90%
Mortality Pre-Retirement ⁽³⁾	0.020- 0.99%

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

(2) Includes inflation.

(3) The mortality assumptions are based on the mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board in November 2021, available on the CalPERS website.

The following table shows the changes in net pension liability for the District's CalPERS plan for the year ended December 31, 2023.

	<i>Total Pension Liability (a)</i>	<i>Plan Fiduciary Net Position (b)</i>	<i>Net Pension Liability/(Assets) (c)=(a)-(b)</i>
Balance at December 31, 2022 (Valuation Date)	\$201,694,724	\$197,913,699	\$ 3,781,025
Changes In the Year:			
Service cost	3,779,439	-	3,779,439
Interest on total pension liability	13,899,525	-	13,899,525
Changes in benefit terms	220,584	-	220,584
Changes of assumptions	-	-	-
Differences between expected and actual experience	2,925,249	-	2,925,249
Contributions from the employer	-	2,289,570	(2,289,570)
Contributions from the employees	-	1,566,169	(1,566,169)
Net investment income	-	11,728,431	(11,728,431)
Administrative expense	-	(145,536)	145,536
Benefit payments, including refunds of employee contributions	<u>(10,575,773)</u>	<u>(10,575,773)</u>	<u>-</u>
Net Changes	<u>10,249,024</u>	<u>4,862,861</u>	<u>5,386,163</u>
Balance at December 31, 2023	<u>\$211,943,748</u>	<u>\$202,776,560</u>	<u>\$ 9,167,188</u>

The following presents the net pension liability of the District's CalPERS plan as of December 31, 2023, calculated using the discount rate of 6.90 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 (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	<i>Discount Rate – 1% (5.90 %)</i>	<i>Current Discount Rate (6.90%)</i>	<i>Discount Rate + 1% (7.90%)</i>
Net Pension Liability	\$36,296,521	\$9,167,188	(\$13,398,996)

On December 31, 2023, 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	\$ 1,326,862	\$ -
Difference Between Expected and Actual Experience	2,241,323	(658,321)
Change in Assumptions	2,728,279	-
Net Difference Between Projected and Actual Earnings	<u>8,659,593</u>	<u>-</u>
Miscellaneous Plan Total	<u>\$ 14,956,057</u>	<u>\$ (658,321)</u>

Funded Status. The tables below are derived from the CalPERS actuarial valuation report as of June 30, 2022 and delivered to the District in July 2023 and show the funded status of the District's CalPERS plan at June 30, 2021 and June 30, 2022. In 2022, the District issued the 2022A Bonds to refund the then-unamortized, unfunded accrued actuarial liability with respect to the District's CalPERS plans.

	<i>June 30, 2021</i>	<i>June 30, 2022</i>
1. Present Value of Projected Benefits	\$ 226,857,295	\$ 238,215,515
2. Entry Age Normal Accrued Liability	197,053,531	207,248,137
3. Market Value of Assets (MVA)	<u>138,628,745</u>	<u>197,910,617</u>
4. Unfunded Accrued Liability (UAL)	\$ 58,424,786	\$ 9,337,520
5. Funded Ratio	70.4%	95.5%

Source: CalPERS' actuarial valuation report as of June 30, 2022.

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 2023 covered CalPERS' fiscal year ended June 30, 2022). 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, 2022 and shown in the report delivered in July 2023 affects the District's required contribution due in the District's Fiscal Year 2024). 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 2021 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 2018-19 through 2022-23 report investment gains of approximately 6.7%, 4.7%, 21.3%, (6.1)% and 5.8%, respectively. Future earnings performance may increase or decrease future contribution rates for plan participants, including the District.

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. The discount rate reduction will be in effect until either the CalPERS Board makes the decision to change it, or another risk-mitigation event is triggered in a later year.

For additional information relating to the District CalPERS plan, see Note 6 to the District's audited financial statements for Fiscal Year 2023 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, 2023 and 2022, the District contributed \$2,050,546 and \$1,988,182, respectively to the OPEB plan. Employees did not make any contributions to the OPEB plan. For Fiscal Year 2024, the District has budgeted \$2,313,508 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 the Installment Payments.

At June 30, 2023, membership consisted of the following:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	218
Active Plan Members	<u>235</u>
Total	453

The following shows the schedule of changes in the total OPEB liability for the period from December 31, 2022 to December 31, 2023.

	<i>Increase (Decrease)</i>		
	<i>Total OPEB Liability (a)</i>	<i>Plan Fiduciary Net Position (b)</i>	<i>Net OPEB Liability/(Asset) (c) = (a) - (b)</i>
Balance at December 31, 2022	\$37,445,781	\$ 11,886,530	\$ 25,559,251
Changes In the Year:			
Service cost	861,744	-	861,744
Interest on the total OPEB liability	2,487,468	763,226	1,724,242
Differences between expected and actual experience	(858,519)	-	(858,519)
Contributions from the employer	1,056,587	-	1,056,587
Net investment income	-	2,050,546	(2,050,546)
Benefit payments	(2,050,546)	(2,050,546)	-
Administrative expenses	-	(3,453)	3,453
Net Change	<u>1,496,734</u>	<u>759,773</u>	<u>736,961</u>
Balance at December 31, 2023	<u>\$38,942,515</u>	<u>\$ 12,646,303</u>	<u>\$ 26,296,212</u>

For additional information relating to the District’s OPEB plan, see Note 7 to the District’s audited financial statements for Fiscal Year 2023 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 November 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 2023 and 2024 on December 12, 2022 and the mid-cycle operating budget for Fiscal Year 2024 on December 11, 2023. As of September 1, 2024, there have been no material amendments to the mid-cycle operating budget for Fiscal Year 2024.

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: \$3,000,000 per claim with a \$100,000 retention

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

The District carries commercial property coverage on 128 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 (including coverage for damage due to fire) with a \$25,000 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 11 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 \$110,978,662. The policy has a per occurrence loss limit of up to \$500,000,000 (subject to certain exclusions), with a \$25,000 deductible. Exclusions apply for the District's flumes, canals, and power generators. Flumes, canals, and power generators that sustain property damage are covered 100% up to the first \$10 million in costs and 65% for the remaining claimed costs. Coverage for boiler and machinery/equipment breakdown is included. The business interruption coverage is included in the total policy limit and is subject to the applicable waiting period per occurrence. Flood and earthquake coverage is also included and each carry an annual aggregate limit. 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, 2023, 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 2023 attached hereto as Appendix A.

Other Outstanding Revenue Obligations

Bonds and Senior Contracts. The obligation of the District to pay the Installment Payments is payable from the District Net Revenues on a parity to approximately \$312,805,000 (as of September 1, 2024) aggregate principal payments due on Contracts and 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 \$4,375,000; (ii) installment payments in the outstanding aggregate principal amount of \$36,095,000 under the Installment Purchase Agreement, dated as of June 1, 2016, by and between the District and the Corporation; (iii) 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; (iv) 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; (v) the obligation of the District to make debt service payments on the District's 2020B Bonds in the outstanding aggregate principal amount of \$2,710,000; (vi) the obligation of the District to make debt service payments on the District's 2020C Bonds in the outstanding aggregate principal amount of \$107,945,000 and (vii) the obligation of the District to make debt service payments on the

District's 2020D Bonds in the outstanding aggregate principal amount of \$75,360,000 (collectively, the "Parity Payments").

Subordinate Bonds and Contracts. The obligation of the District to pay the Installment Payments is payable from the District Net Revenues on a senior basis to the District's 2022A Bonds in the outstanding aggregate principal amount of \$63,960,000.

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 2023, the allocation of the 1% *ad valorem* property tax received by the District (the "1% Property Tax Revenues") was \$17,521,475 compared to \$14,981,199 in 2022. 1% Property Tax Revenues as a percentage of the total revenues of the District averaged approximately 16% over the last five Fiscal Years.

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 2024A CERTIFICATES—Special Obligations Payable from Net Revenues” for a discussion of the extent to which 1% Property Tax Revenues are available to make the Installment Payments.

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, 2023 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 60% to the Water System and 40% to the Wastewater System for Fiscal Year 2024.

**El Dorado Irrigation District
1% Property Tax Revenue Allocations By Fund and Purpose
Calendar Year Ended December 31, 2023**

<i>Fund</i>	<i>Allocation of Total Property Tax Revenues</i>	<i>Percentage of Allocation By Funding Purpose</i>
Water Fund	\$10,512,885	60%
Sewer Fund	\$7,008,590	40%

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, 2020 through June 30, 2024**

<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>
2024	\$42,159,584,801	\$421,600,963	\$417,035,432	98.92%	\$16,918,486
2023	39,664,054,635	396,645,359	393,074,040	99.10	17,521,475
2022	37,043,150,409	370,436,317	366,173,602	98.85	14,981,199
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

⁽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, 2024, as reported by the County of El Dorado, is \$42,159,584,801, a 6.3% 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.

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 Installment Payments.

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 attempted to revise the policies contained in the County General Plan to substantially restrict residential development’s potential traffic impacts.

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. 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 make the Installment Payments.

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 provides one of the primary sources of water to the District, with up to 15,080 acre-feet obtained annually by the District via a new raw water pipeline from Forebay Reservoir. The new raw water pipeline was completed in 2022 and replaced the previous open, unlined Main Ditch conveyance 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 supplies 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. The District also produces recycled water from two wastewater treatment plants to supply a portion of our customers with recycled water and help offset some of the potable water demands. Per the District’s 2020 Urban Water Management Plan, these supplies amount to 70,794 acre-feet per year in a normal year and reduce to 63,379 acre-feet per year in a single dry year. 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 2023, the District paid a total of \$402,573 per acre-foot 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 \$24.05 per acre-foot for municipal and industrial water, and \$12.02 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 \$197,716 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 2023 was \$33.03 per acre-foot. Additionally, the Environmental Restoration Fund charge is \$24.05 per acre-foot, resulting in a total cost of water from Folsom Reservoir to the District for 2023 of \$301,324. Of this total, payments to the Environmental Restoration Fund to the USBR for Folsom Reservoir in 2023 totaled \$128,585. For Fiscal Year 2024, the District budgeted \$340,000 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 2023 was \$22.26 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 2023 was \$22.26 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.

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.

Response to Weather Conditions and Other Risks

District Drought Response Actions and Impact. Hydrological conditions in California can vary widely, both in location and from year to year. The District maintains a Drought Action Plan which the District updates from time-to-time, with the most recent update in 2021. In June 2021, due to extended dry conditions, 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. In May 2022, the Board renewed and continued the District-wide State 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.

With improved water supply conditions locally and throughout the state, the District rescinded the Stage 1 Water Alert and returned to normal water supply conditions on April 24, 2023. In the event of future drought, the District does not believe that reductions in water use in the District's service area will have a material adverse effect on the District's ability to make the Installment Payments. However, there can be no assurance that 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 any regulations of the State regarding water usage restrictions 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 was 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, were 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 replaced these flumes with new concrete canals to provide additional longevity and resilience against future wildfire and potential slope instability. The emergency construction was completed in May 2022 and the El Dorado Canal was brought back to full operation. The District suffered approximately \$30 million in property damage losses and approximately \$4.6 million in business income loss (lost hydropower generation revenues) due to the Caldor Fire. The District's insurance claim for the Caldor Fire remains open, and the District has submitted over \$34 million in costs (physical damage and business income loss) to the insurer. To date, the District has received approximately \$22 million in unallocated insurance reimbursements for this claim. At most, the District may recover an additional \$4 million in insurance reimbursements before this claim is closed out. Thus, of the approximately \$34 million in costs, the District's maximum insurance recovery is approximately \$26 million due to exclusions in the insurance policies for the District's flumes and canals. Total recovery may be less, depending on the insurer's final claim review.

The District is also seeking recovery from the Federal Emergency Management Agency (FEMA) for Caldor Fire damages. To date, FEMA has provided obligation letters totaling approximately \$740,000, and the District has received approximately 90% of the obligated amounts as reimbursement payments. The District anticipates receiving additional reimbursement payments from FEMA. The FEMA claim remains open, and the District is actively pursuing FEMA reimbursement for damages not covered by the District's insurance.

As of September 1, 2024 approximately \$11 million of the District's total Caldor Fire costs of approximately \$34 million remained unreimbursed, though the FEMA and insurance claims remained open as of that date.

Wildfire Risks. In recent years, wildfires have caused extensive damage throughout the State. Certain of these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. In some instances, entire neighborhoods have been destroyed. Several recent wildfires damaged or destroyed property in areas that were not previously considered to be at risk from such events. Additionally, property located adjacent to burn areas can be subject to mudslides and flooding, which can cause significant damage and destruction to property.

Approximately 84% of the District's service area is considered by the Department of Forestry and Fire Protection of the State of California ("CalFire") to have an elevated risk for wildfires (i.e., located within CalFire's fire hazard severity zone of moderate, high, or very high). The District manages its equipment and implements mitigation measures in accordance with standards and requirements approved by CalFire. Such measures taken by the District include, but are not limited to, implementing forestry management and fuel load reduction projects, controlling vegetation near critical facilities and along pipeline corridors, training staff on procedures to respond to wildfire, and requiring that work activities be completed in compliance with fire plans that outline procedures for fire prevention and response. The areas from where USBR provides water to the District may also be subject to wildfires. If there were to be an occurrence of a wildfire within the District or affecting such USBR facilities, there could be an impact on the ability of residents to pay the District's rates and charges, which could have an adverse effect on the District's ability to make the Installment Payments. See the caption "INVESTMENT CONSIDERATIONS—Wildfire Risks."

2022-2023 Storms. On December 30-31, 2022, a category IV atmospheric river impacted the District's service area. California Department of Water Resources' Placerville weather station recorded a rainfall total of 10.03 inches over the 48-hour period. The excessive rain caused the District's wastewater collection systems to become inundated with stormwater ultimately resulting in a sanitary sewer overflow. President Joe Biden declared the storm a national disaster emergency on January 14, 2023. On April 5, 2023, California River Watch ("River Watch") served on the District a 60-Day Notice of Intent to File Suit Under the Clean Water Act ("60-Day Notice"). The 60-Day Notice alleged various violations of the Federal Clean Water Act ("CWA") associated with the District's operation of its wastewater collections facilities and treatment plants during the December 31, 2022, storm. On July 24, 2023, the District executed a settlement agreement and release of claims with River Watch wherein the District paid River Watch \$50,000. The District expects no further liability associated with the 2022-2023 storms.

Sustainable Groundwater Management Act. On September 16, 2014, the Governor signed Assembly Bill No. 1739 and Senate Bill Nos. 1168 and 1319 (collectively, the "Sustainable Groundwater Management Act", or "SGMA") into law. The SGMA constitutes a legislative effort to regulate groundwater on a Statewide basis. By January 31, 2017, local groundwater producers were required to establish or designate an entity (referred to as a groundwater sustainability agency, or "GSA"), subject to the California Department of Water Resources' ("DWR") approval, to manage each high and medium priority groundwater basin. A groundwater sustainability plan must be submitted to DWR by January 31, 2022, for high and medium priority basins. Alternatively, an existing groundwater management agency can 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. Such alternative plans were required to be submitted by January 1, 2017, and updated every five years thereafter. The District does not currently produce any water from groundwater sources.

The District tested its source water supplies in 2023 and found no evidence of Ppr- and poly-fluoroalkyl substances ("PFAS") contamination at or above the maximum contaminant levels established by the Environmental Protection Agency. Wastewater testing detected the presence of PFAS and perfluorooctane sulfonic acid ("PFOS") at levels slightly above the method detection limit. However, there are currently no limits on PFAS/PFOS at levels for effluent discharge.

Historic and Projected System Firm Yield

Set forth below is a summary of the District’s single dry-year water supply as identified in the 2020 Urban Water Management Plan for the last five audited Fiscal Years.

**El Dorado Irrigation District
Historic Single Dry-Year Water Supply
In Acre-Feet Per Year**

<i>Fiscal Year Ended December 31</i>	<i>Total</i>
2023	63,379
2022	63,379
2021	63,379
2020	63,379
2019	63,379

Source: The District – 2020 Urban Water Management Plan Chapter 3.

Set forth below is a projection of the District’s single dry-year water supply for Fiscal Years 2024 through 2028. The projected water supplies exceed projected water deliveries described under the caption “— Projected Raw Water Deliveries.”

**El Dorado Irrigation District
Projected Single Dry-Year Water Supply
In Acre-Feet Per Year**

<i>Fiscal Year Ending December 31</i>	<i>Total</i>
2024	63,379
2025	63,379
2026	63,379
2027	63,379
2028	63,379

Source: The District – 2020 Urban Water Management Plan Table 3-3.

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>
2023	43,568	0.6%
2022	43,287	0.8
2021	42,957	1.5
2020	42,339	1.1
2019	41,892	1.2

Source: The District – 2023 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>
2023 ⁽¹⁾	31,706	(8.9)%
2022 ⁽¹⁾	34,808	(8.0)
2021	37,826	4.6
2020 ⁽²⁾	36,159	14.4
2019 ⁽³⁾	31,605	(7.2)

⁽¹⁾ Decrease in Fiscal Year 2022 and 2023 due to generally cooler and wetter weather conditions.

⁽²⁾ Increase in Fiscal Year 2020 due to increased customer usage associated with dry and warmer weather with the onset of drought conditions and impacts of COVID-19 stay at home orders.

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

Source: The District – 2023 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>
2023	\$39,397,469	2.60 %
2022	38,397,508	(0.11)
2021 ⁽¹⁾	38,440,160	13.41
2020 ⁽¹⁾	33,895,394	9.60
2019	30,917,264	0.60

⁽¹⁾ Increases in Fiscal Years 2020 and 2021 due to increased customer usage associated with dry and warmer weather with the onset of drought conditions.

Source: The District – 2023 ACFR, Table 2.

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 2,612 acre-feet of water to Westlands for total revenues of \$1,849,860 in 2015.

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). Likewise, in 2020, the District again transferred water to Westlands. The contract price in both of those years was \$350 per acre-foot plus incidental costs. The District ultimately transferred 1,533 acre-feet in 2018 and 8,000 acre-feet in 2020 for total revenues of \$556,550 and \$2,830,000, respectively.

In 2024, the District entered into agreements with Westlands for the transfer of up to 5,000 acre-feet at a price of \$275 per acre-foot. However, as in some prior years, there may be little transfer capacity in State and Federal conveyance facilities given the above normal water year. Consequently, the District cannot predict the amount of water, if any, it will actually transfer.

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, 2023 (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	\$ 590,032
Cameron Park Golf Course	229,769
El Dorado Union High School District	222,447
El Dorado Hills Community Services District	196,876
Buckeye Union School District	133,415
Rescue Union School District	107,090
Red Hawks Casino	94,010
Lake Oaks Mobile Home Park	93,706
Lennar Homes of California	89,489
Lake Forest Apartments LLC	89,402
Total	<u>\$ 1,846,236</u>

Source: The District – 2023 ACFR, Table 13.

These largest customers accounted for approximately 4.69% of water sales from the Water System and approximately 2.58% of total District Revenues from the Water System in Fiscal Year 2023.

Water System Rates and Charges

General. The water rates of the District vary for different classes of customers. 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 2023 and 2024 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 2023 and 2024**

	<i>January 1, 2023</i>	<i>January 1, 2024</i>
Minimum Bi-Monthly Base Charge (3/4-inch meter)	\$ 69.93	\$ 77.88
Commodity Charge for 0-1,800 cf	0.019912	0.023293
Commodity Charge for 1,801-4,500 cf	0.024033	0.027998
Commodity Charge for 4,501 cf and above	0.028194	0.034553

⁽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 December 11, 2023, 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 12% annually through Fiscal Year 2028, 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 2024A CERTIFICATES—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 2028. 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 “THE WATER SYSTEM OF THE DISTRICT—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 2023 and 2024 for the Water System. Facility capacity charges consist of a one-time connection fee. The District is currently conducting an update to the facility capacity charges planned to be in effect January 1, 2025.

**El Dorado Irrigation District
Water System Facility Capacity Charges
Fiscal Years 2023 and 2024**

<i>2023 Rate</i>	<i>2024 Rate⁽¹⁾</i>
\$ 24,581	\$25,178

⁽¹⁾ Effective January 1, 2024.
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, 2024:

<i>Community</i>	<i>Total Bi-Monthly Bill</i>
Elk Grove Water District	\$187.48
City of Grass Valley	162.16
Placer County Water Agency	204.58
City of Placerville	180.83
Rancho Murieta CSD	190.78
Nevada Irrigation District	182.15
South Tahoe PUD	181.19
<i>El Dorado Irrigation District</i>	<i>156.67</i>
Sacramento Suburban	135.87
City of Folsom	104.88
Citrus Heights Water District	107.46

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.

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 \$258 million over the next five years. The District expects to finance approximately \$193 million of such capital improvements (including from proceeds of the 2024A Certificates) 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 2024 through Fiscal Year 2028:

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

<i>Fiscal Year Ending December 31</i>	<i>Projected Increase in Number of Connections</i>	<i>Increase/(Decrease)</i>
2024	300	0.69%
2025	300	0.68
2026	300	0.68
2027	300	0.68
2028	300	0.67

⁽¹⁾ The number of projected water connections is estimated from El Dorado County growth rate estimate of 0.62%.
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.

Projected Raw Water Deliveries

The District currently estimates that raw water deliveries for Fiscal Year 2024 through Fiscal Year 2028 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>
2024	32,674	0.69%
2025	32,896	0.68
2026	33,120	0.68
2027	33,345	0.68
2028	33,571	0.68

Source: The District.

Water deliveries for 2024 and subsequent years are projected 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>
2024	\$ 46,175,472	15%
2025	52,776,960	13
2026	59,247,058	11
2027	66,519,566	11
2028	74,694,279	11

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

Source: The District.

Hydroelectric Revenues

On April 29, 2021, the District entered into a 10-year power sales agreement with Pioneer Community Energy after the expiration of a prior 10-year power purchase agreement with PG&E. Annual revenues are expected to fluctuate according to hydrology, generation patterns, and drinking water needs. See the caption “—Projected Operating Results and Debt Service Coverage.” There can be no assurances as to the actual revenue received and the revenue 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 \$3,789,003 in 2021 (due in part to the early and extended outage caused by the Caldor fire), to a high of \$9,679,827 in 2019.

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. 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.

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**El Dorado Irrigation District
Water System
Historic Operating Results
Fiscal Years Ended December 31, 2019, through 2023**

	2023	2022	2021	2020	2019
Revenues					
Water Sales	\$ 39,397,469	\$ 38,397,508	\$ 38,440,160	\$ 33,895,394	\$ 30,917,264
Facility Capacity Charges	6,469,078	7,310,057	9,609,474	4,717,406	7,751,824
1% Property Tax Revenue ⁽¹⁾⁽²⁾	10,512,885	11,235,899	10,894,701	10,470,484	7,886,930
Water Service ⁽³⁾	773,723	2,276,874	587,542	3,475,275	730,601
Surcharges ⁽¹⁾	1,050,176	1,059,571	1,364,696	1,333,574	1,356,609
Investment Income ⁽¹⁾⁽⁴⁾	1,393,504	3,434,890	427,271	950,674	1,633,289
Recreation Fees	1,621,760	1,720,887	1,526,205	1,799,869	1,774,235
Hydroelectric Revenues ⁽⁵⁾	5,829,530	4,369,505	3,789,003	7,156,800	9,679,827
Other Income ⁽¹⁾⁽⁶⁾	4,604,351	1,433,113	8,993,139	3,394,799	4,158,482
Total Revenues	<u>\$ 71,652,476</u>	<u>\$ 71,238,304</u>	<u>\$ 75,632,191</u>	<u>\$ 67,194,275</u>	<u>\$ 65,889,061</u>
Operation and Maintenance Costs⁽¹⁾					
Personnel Expenses ⁽⁷⁾	\$ 29,873,835	\$ 25,644,221	\$ 22,100,666	\$ 21,592,718	\$ 19,150,863
Operating Supplies	6,639,043	3,476,491	3,022,394	3,016,747	3,185,353
Chemicals	937,820	739,276	486,231	533,589	466,963
Administration	4,002,102	4,186,806	3,722,486	3,240,402	2,867,045
Utilities	3,971,136	3,353,976	3,186,984	2,925,488	2,514,253
Professional Services	3,682,323	2,825,445	3,113,830	3,220,343	3,270,909
Repair Services	2,179,904	3,020,728	2,322,565	1,675,093	1,764,105
Insurance	755,453	772,459	649,691	561,446	630,219
Other Expenses ⁽⁸⁾	966,480	606,174	296,554	239,971	1,736,552
Total Operation and Maintenance Costs	<u>\$ 53,008,096</u>	<u>\$ 44,625,576</u>	<u>\$ 38,901,401</u>	<u>\$ 37,005,797</u>	<u>\$ 35,586,262</u>
Net Revenues	\$ 18,644,380	\$ 26,612,728	\$ 36,730,790	\$ 30,188,478	\$ 30,302,799
Pre-existing Obligations					
Existing State Loans	--	--	--	\$ 539,658	\$ 1,079,317
Total Pre-existing Obligations	--	--	--	\$ 539,658	\$ 1,079,317
Net Revenues Available for Senior Debt Service Coverage	\$ 18,644,380	\$ 26,612,728	\$ 36,730,790	\$ 29,648,820	\$ 29,223,482
Senior Debt Service⁽⁹⁾					
2009A Installment Purchase Agreement	--	--	--	--	\$ 1,876,917
2010A Installment Purchase Agreement ⁽⁹⁾	--	--	--	--	446,530
2012A Bonds ⁽¹⁰⁾	--	--	--	\$ 2,428,619	2,614,050
2012B Bonds	--	--	--	127,205	128,356
2014 Bonds ⁽¹⁰⁾	\$ 461,593	\$ 466,419	\$ 281,288	2,282,800	3,574,127
2016A Bonds ⁽¹⁰⁾	514,640	515,970	2,193,576	2,196,208	451,024
2016B Installment Purchase Agreement	2,494,250	2,444,250	2,545,950	1,923,650	1,923,650
2016C Bonds	615,351	615,351	615,351	2,290,219	2,442,480
2020A Installment Purchase Agreement	2,693,400	2,693,400	2,693,400	508,753	--
2020B Bonds	955,625	958,000	938,125	52,889	--
2020C Bonds ⁽¹⁰⁾	1,823,172	1,824,043	2,718,999	1,268,534	--
2020D Bonds	1,734,442	1,736,178	1,736,110	--	--
Additional State Loans	--	--	--	186,656	373,310
Total Senior Debt Service	<u>\$ 11,292,472</u>	<u>\$ 11,253,611</u>	<u>\$ 13,722,799</u>	<u>\$ 13,265,534</u>	<u>\$ 13,830,444</u>
Senior Debt Service Coverage	1.65	2.36	2.68	2.24	2.11
Net Revenues Available for Subordinate Debt Service Coverage	\$ 7,351,908	\$ 15,359,117	\$ 23,007,991	\$ 16,383,286	\$ 15,393,038
Subordinate Debt Service⁽⁹⁾					
2022A Bonds	4,714,863	245,858	--	--	--
Total Subordinate Debt Service	<u>\$ 4,714,863</u>	<u>\$ 245,858</u>	<u>--</u>	<u>--</u>	<u>--</u>
Subordinate Debt Service Coverage	1.56	62.47	--	--	--
All-in Debt Service Coverage	1.16	2.31	2.68	2.24	2.11
Net Revenues Available for Capital Projects or Other Purposes	\$ 2,637,045	\$ 15,113,259	\$ 23,007,991	\$ 16,383,286	\$ 15,393,038

⁽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) Fluctuations as result of water transfer revenues
- (4) Excludes unrealized gains and losses on investments.
- (5) Decrease in Fiscal Year 2021 a result of dry conditions in the spring and summer, combined with property damage losses and resulting lost hydropower generation revenue due to the Caldor Fire.
- (6) Increase in 2021 a result of increased grant funding received.
- (7) Excludes non-cash accrual of benefits related to pension and post-employment benefits.
- (8) Increase in Fiscal Year 2019 related to additional costs incurred by the District in response to several public safety power shutoff events initiated by PG&E.
- (9) Debt service payments allocated to the Water System.
- (10) As discussed below under the caption “—Management Discussion With Respect to Fiscal Years 2018 through 2023,” the District prepaid, from District reserves, the outstanding amount under the 2010A Installment Purchase Agreement on March 1, 2019.
- (10) Reflects prepayments in 2018 through 2022 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 2018 through 2023” below.
- (11) Reflects prepayments in 2018 through 2022 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 2018 through 2023” below.

Source: The District.

Management Discussion With Respect To Fiscal Years 2018 through 2023

In Fiscal Year 2018 and 2019 the District prepaid \$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 2019 through 2023, approximately 57.4% of such prepayments were allocable to the Water System in each of such Fiscal Years.

In Fiscal Years 2018 and 2019 the District prepaid \$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 2019 through 2023, approximately 55.2% of such prepayments were allocable to the Water System in each of such Fiscal Years.

In Fiscal Years 2020 and 2021 and 2022, the District prepaid \$5,999,106, \$2,996,030 and \$2,998,000 in principal and interest, respectively, of the 2020C Bonds due on the succeeding March 1, from District reserves. In Fiscal Years 2020 and 2021 and 2022, approximately 55.7% of such prepayments were allocable to the Water System in each of such Fiscal Years.

In Fiscal Year 2021 and 2022, the District prepaid \$2,998,125 and \$2,998,125 in principal and interest of the 2016A Bonds due on the succeeding March 1, from District reserves. In Fiscal Year 2021 and 2022, approximately 56.0% of such prepayments were allocable to the Water System.

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 1.70 in 2019, 1.78 in Fiscal Year 2020, 2.15 in Fiscal Year 2021, 1.82 in Fiscal Year 2022 and 1.27 in Fiscal Year 2023.

Projected Operating Results and Debt Service Coverage

The District’s projected operating results for the Water System of the District for Fiscal Year 2024 through Fiscal Year 2028 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 Year 2023, the District prepaid \$2,915,660 in principal and interest, respectively, of the 2020C Bonds due on March 1, 2024, from District reserves. In Fiscal Year 2023, approximately 55.7% of such prepayments were allocable to the Water System.

In Fiscal Year 2023, the District prepaid \$2,454,875 in principal and interest of the 2016A Bonds due on March 1, 2024, from District reserves. In Fiscal Year 2023, approximately 56% 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 projected to be 1.74 in Fiscal Year 2024.

The District anticipates prepaying, from District reserves, approximately \$6,000,000 in principal amount of the 2020C Bonds in each of Fiscal Years 2024 through 2028. Approximately 55.7% 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 1.50 times senior debt service coverage in Fiscal Year 2025, 1.74 in Fiscal Year 2026, 2.07 in Fiscal Year 2027 and 1.79 in Fiscal Year 2028. 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.

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

	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>
Revenues					
Water Sales ⁽¹⁾	\$ 46,175,472	\$ 52,776,960	\$ 59,247,057	\$ 66,519,566	\$ 74,694,279
Facility Capacity Charges ⁽²⁾	5,900,000	5,900,000	5,900,000	5,900,000	3,540,000
1% Property Tax Revenue ⁽³⁾	10,080,000	10,281,600	10,487,232	10,696,977	10,910,916
Surcharges ⁽⁴⁾	960,000	960,000	960,000	960,000	240,000
Investment Income ⁽⁵⁾	620,000	450,000	450,000	450,000	450,000
Recreation Fees ⁽⁶⁾	2,020,495	1,819,125	1,910,081	2,005,585	2,105,865
Hydroelectric Revenues ⁽⁷⁾	4,130,000	3,500,000	3,500,000	3,500,000	3,500,000
Other Income	1,132,750	1,137,021	1,140,318	1,143,625	1,146,942
Total Revenues	\$ 71,018,717	\$ 76,824,706	\$ 83,594,689	\$ 91,175,753	\$ 96,588,002
Operation and Maintenance Costs⁽⁸⁾					
Personnel Expenses	\$ 25,529,241	\$ 26,025,680	\$ 26,681,526	\$ 27,357,048	\$ 28,052,835
Operating Supplies	2,996,692	3,146,527	3,240,923	3,338,151	3,438,295
Chemicals	1,017,520	1,068,396	1,100,448	1,133,462	1,167,466
Administration	3,903,735	4,098,921	4,221,889	4,348,545	4,479,002
Utilities	3,881,268	4,075,331	4,197,591	4,323,519	4,453,224
Professional Services	4,811,100	5,051,655	5,203,205	5,359,301	5,520,080
Repair Services	1,870,082	1,963,586	2,022,494	2,083,168	2,145,663
Insurance	1,152,552	1,210,180	1,246,485	1,283,880	1,322,396
Other Expenses	<u>544,408</u>	<u>571,628</u>	<u>588,777</u>	<u>606,440</u>	<u>624,633</u>
Total Operation and Maintenance Costs	\$45,706,598	\$47,211,904	\$48,503,338	\$49,833,514	\$51,203,597
Net Revenues	\$ 25,312,119	\$ 29,612,802	\$ 35,091,351	\$ 41,342,239	\$ 45,384,408
Senior Debt Service⁽⁹⁾					
2014A Bonds	\$ 464,985	\$ 2,473,581	\$ -	\$ -	\$ -
2016A Bonds ⁽¹⁰⁾	820,820	-	-	-	-
2016B Certificates	2,491,500	8,088,625	8,093,000	8,090,375	8,085,125
2016C Bonds	615,351	615,351	615,351	615,351	615,351
2020A Installment Purchase Agreement	2,693,400	2,844,525	2,944,025	2,940,525	3,175,400
2020B Bonds	873,500	876,500	770,250	774,750	543,250
2020C Bonds ⁽¹¹⁾	1,868,375	3,492,819	3,494,175	6,122,458	6,123,020
2020D Bonds	1,734,417	1,736,024	4,452,944	1,597,389	1,595,616
2024A Installment Purchase Agreement	-	3,012,867	3,153,000	3,153,000	3,153,000
2027 Installment Purchase Agreement	-	-	-	-	<u>5,400,000</u>
Total Senior Debt Service	\$ 11,562,348	\$ 23,140,292	\$ 23,522,745	\$ 23,293,848	\$ 28,690,762
Senior Debt Service Coverage	2.19	1.28	1.49	1.77	1.58
Net Revenues Available for Subordinate Debt Service Coverage	\$ 13,794,771	\$ 6,472,509	\$ 11,568,605	\$ 18,048,391	\$ 16,693,646
Subordinate Debt Service⁽⁹⁾					
2022A Bonds	<u>\$ 4,182,571</u>	<u>\$ 3,677,209</u>	<u>\$ 3,815,195</u>	<u>\$ 3,907,085</u>	<u>\$ 3,995,499</u>
Total Subordinate Debt Service	\$ 4,182,571	\$ 3,677,209	\$ 3,815,195	\$ 3,907,085	\$ 3,995,499
Subordinate Debt Service Coverage	3.29	1.76	3.03	4.62	4.18
All-in Debt Service Coverage	1.61	1.10	1.28	1.52	1.39
Net Revenues Available for Capital Projects or Other Purposes	\$ 9,567,200	\$ 2,795,300	\$ 7,753,410	\$ 14,141,306	\$ 12,698,147

(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.”

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- (2) Represents facility capacity charges projected to be collected from operation of the Water System. For Fiscal Year 2025 through Fiscal Year 2028 projections are estimated by the District using the projected number of water connections derived from engineering estimates contained within the District's 2020 Urban Water Management Plan and input from developers. The 2020 Urban Water Management 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.
- (5) Projected at 1% to 2% per annum on projected Water System reserves.
- (6) Based on District projections.
- (7) Based on estimated amounts to be received under a new long-term power purchase agreement. See the caption "—Hydroelectric Revenues."
- (8) Increases in amounts are projected at a rate of 5% in Fiscal Year 2025 and 3% in Fiscal Years 2026 through 2028.
- (9) Debt Service allocated to the Water System.
- (10) Fiscal Year 2024 amount reflects prepayment from District reserves of principal of and interest on the 2016A Bonds due on March 1, 2024 in the amount of \$2,454,875 (56% of this prepayment was allocated to the Water System and 44% was allocated to the Wastewater System).
- (11) Fiscal Year 2024 amount reflect prepayment from District reserves of principal of and interest on the 2020C Bonds due on March 1, 2024 in the amounts of \$2,915,660 (55.7% of this prepayment was allocated to the Water System and 44.3% was allocated to the Wastewater System).

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 developments for residential landscape irrigation, by the Serrano golf course for irrigation and ponds and by community landscape areas. The District in 2023 served approximately 3,500 acre-feet annually through its recycled water system to approximately 5,686 accounts. The recycled water system is essentially built out with very limited expansion of recycled customers projected in the future due to lack of recycled water supply and the need to supplement the recycled water system with potable water.

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 (the “Regional Board”) administers and enforces all federal and State discharge requirements by issuing a discharge permit under the National Pollutant Discharge Elimination System (“NPDES”). The Deer Creek Wastewater Treatment Plant’s present discharge permit is covered under the Regional Board Municipal General Order (Waste Discharge Order No. R5-2023-0025, NPDES No CAG585001, enrollee number R5-2023-0025-004) and was adopted by the Regional Board on June 22, 2023. The Municipal General Order expires on October 1, 2028. The District’s Notice of Applicability Enrollee Number R5-2023-0025-004, will become effective on October 1, 2024.

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. R5-2023-0025, NPDES No. CAG585001, enrollee number R5-2023-0025-003) and was adopted by the Regional Board on June 22, 2023. The Municipal General Order expires on October 1, 2028. The District’s Notice of Applicability Enrollee Number R5-2023-0025-003, shall become effective on October 1, 2024.

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>
2023	25,236	1.5%
2022	24,859	1.8
2021	24,428	1.7
2020	24,023	1.6
2019	23,652	2.0

Source: The District – 2023 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>
2023	4.8	6.7%
2022	4.5	(2.2)
2021	4.6	(1.9)
2020	4.7	2.2
2019	4.6	2.2

Source: The District – 2023 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 December 31</i>	<i>Service Charge Revenues</i>	<i>Increase/(Decrease)</i>
2023	\$23,002,126	2.7%
2022	22,400,843	6.2
2021 ⁽¹⁾	21,095,538	(6.0)
2020	22,443,036	0.9
2019	22,235,351	4.7

⁽¹⁾ Decrease in Fiscal Year 2021 was due to the District Board’s action to allow the lower of either 2020 or 2021 winter water usage to establish the customer’s 2021 residential wastewater rate in consideration of dry hydrological conditions during the 2021 winter season, resulting in higher than normal winter water usage.

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, 2023 (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>
Vineyards At Valley View	\$ 133,260
Lake Oaks Mobile Home Park	130,783
RU ITW Sky Park LLC	111,193
Wong Family Investors	96,944
Cameron Park Senior Living A CA LLC	94,915
Town Center East LP	85,364
Westwood Financial Corp	82,532
Lake Forest Apts LLC	77,945
Serrano Country Club	77,272
Mercy Housing Calif XXII LP	<u>75,172</u>
Total	<u>\$ 965,380</u>

Source: The District – 2023 ACFR, Table 14.

These ten largest customers accounted for approximately 4.2% of wastewater service charges from the Wastewater System and 2.5% of total District Revenues from the Wastewater System in Fiscal Year 2023.

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 December 11, 2023, 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 Wastewater System rate increases of approximately 3% annually through Fiscal Year 2028, 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 2024A CERTIFICATES—Rate Covenants.” The Wastewater 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 2028. 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 2023 and 2024 is shown in the following table:

**El Dorado Irrigation District
Wastewater Rates
Fiscal Years 2023 and 2024**

	<i>January 1, 2023</i>	<i>January 1, 2024</i>
<i>Base Charge Wastewater</i>		
Residential Flat Rate District Average	\$ 135.32	\$ 141.75
Single Family Residential	69.58	66.34
Multifamily Residential (per unit)	31.31	39.11
Commercial (all categories)	70.46	-
Commercial - Low	-	65.84
Commercial - Medium	-	136.26
Commercial – Medium/High	-	216.79
Commercial without water service (per unit)	127.13	314.51
Schools, per student and staff (billed annually)	13.19	19.04
<i>Commodity Charge Wastewater (per cf)</i>		
Single Family Residential	\$ 0.041091	\$ 0.047133
Multifamily Residential	0.032315	0.047133
Commercial – Low	0.049278	0.065795
Commercial – Medium/Low	0.072570	-
Commercial – Medium	0.106231	0.085355
Commercial – Medium/High	0.167191	0.168254
Commercial – High	0.364214	-

Source: The District.

Facility Capacity Charges. The table below sets forth facility capacity charges for a 0.75” meter for Fiscal Years 2023 and 2024 for the Wastewater System in various areas of the District. Facility capacity charges consist of a one-time connection fee. The District is currently conducting an update to the facility capacity charges planned to be in effect January 1, 2025.

**El Dorado Irrigation District
Wastewater System Facility Capacity Charges
Fiscal Years 2023 and 2024**

<i>2023 Rate</i>	<i>2024 Rate⁽¹⁾</i>
\$ 17,496	\$ 17,934

⁽¹⁾ Effective January 1, 2024.

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, 2024. 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	\$286.82
City of Colfax	286.14
Placer County SMD No. 1	204.96
City of Auburn	157.24
<i>El Dorado Irrigation District</i>	<i>135.33</i>
City of Grass Valley	110.00
City of Folsom	124.86
South Tahoe PUD	105.18
Rancho Murieta	136.24

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.

Future Wastewater System Improvements

The District estimates total capital improvements to the Wastewater System for existing users of approximately \$29 million over the next five years. The District estimates capital improvements to the Wastewater System to accommodate future growth of approximately \$12.8 million 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 2024 through Fiscal Year 2028:

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

<i>Fiscal Year Ending December 31</i>	<i>Projected Increase in Number of Connections</i>	<i>Increase/(Decrease)</i>
2024	270	1.07%
2025	270	1.06
2026	270	1.05
2027	270	1.04
2028	270	1.02

⁽¹⁾ The number of projected wastewater connections are derived from El Dorado County growth rate estimate of 0.62% 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.

Projected Wastewater System Usage

The District currently estimates that Wastewater System usage for Fiscal Year 2024 through Fiscal Year 2028 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>
2024	4.85	1.07%
2025	4.90	1.06
2026	4.95	1.05
2027	5.00	1.04
2028	5.05	1.02

⁽¹⁾ Estimates for Fiscal Years 2024 through 2028 assume an approximately 1% 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 2024 through Fiscal Year 2028. The projected wastewater service charge revenues reflect the rate increases approved by the Board of Directors through Fiscal Year 2028. 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>
2024	\$25,150,615	8.6%
2025	26,112,375	3.7
2026	27,110,912	3.7
2027	28,147,633	3.7
2028	29,233,999	3.7

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. 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 834 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>
2023	5,686	0.8%
2022	5,642	0.2
2021	5,632	1.5
2020	5,546	0.2
2019	5,537	1.1

Source: The District – 2023 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>
2023	3,451	(14.4%)
2022	4,031	1.8
2021	3,961	1.0
2020 ⁽²⁾	3,921	18.4
2019 ⁽³⁾	3,313	(4.9)

⁽¹⁾ To meet seasonal recycled water demands, the recycled water system demand may include supplemental potable water supplies averaging 834 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>
2023 ⁽²⁾	\$2,540,511	(6.3)%
2022	2,711,838	6.9
2021 ⁽¹⁾	2,535,981	(8.6)
2020	2,773,429	14.7
2019	2,417,662	0.5

⁽¹⁾ Decrease in Fiscal Year 2021 associated with public outreach requesting voluntary reduction in consumptive use due to drought conditions.

⁽²⁾ Decrease in Fiscal Year 2023 due to generally cooler and wet hydrological conditions.

Source: The District.

Largest Customers

The following table sets forth the ten large customers of the Recycled Water System as of December 31, 2023 (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 Assoc	\$195,116.21
Serrano Country Club	140,344.64
El Dorado Hills Community Services District	45,636.83
Four Seasons Owners Assoc	33,711.27
Serrano Associates Llc	33,697.03
Blackstone Master Association	33,530.66
Heritage At El Dorado Hills	15,734.00
Vineyards At Valley View	11,582.39
Bahia Surinder Singh	11,449.23
Ridge Edh Town Center Owner Ll	<u>11,014.70</u>
Total	<u>\$531,816.96</u>

Source: The District.

These large customers accounted for approximately 20.93% of recycled water sales from the Recycled Water System and approximately 1.36% of total District Revenues from the Wastewater System in 2023.

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, 2024, the bimonthly basic charges and the commodity charges are set forth in the table below.

On December 11, 2023 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 3% through Fiscal Year 2028, 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 2024A CERTIFICATES—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 2028. 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.

As shown in the table below, the community charge was replaced by a uniform volumetric rate, which was \$0.011684 per cubic foot as of January 1, 2024.

**El Dorado Irrigation District
Recycled Water Rates and Charges⁽¹⁾
Fiscal Years 2023 and 2024**

	<u>1/1/2023</u>	<u>1/1/2024</u>
<i>Base Charge Recycled Water</i>		
Single Family Dual Plumbed Residential	\$ 17.37	\$ 31.16
Commercial Landscape/Recreational Turf 5/8" and 3/4"	38.70	42.18
1"	56.74	63.71
1 1/2"	98.02	112.91
1 1/2"T	116.07	134.43
2"	149.61	174.41
2"T	149.61	174.41
3"	288.91	340.46
3"T	314.70	371.21
4"	443.68	524.96
4"T	554.59	657.19
6"	871.88	1,035.42
6"T	1,217.55	1,447.48
8"T	2,076.52	2,471.47
10"T	3,288.72	3,907.52
12"T	4,177.99	5,137.54
<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	\$ --
3,001 - 4,500 cf (rate is 70% of potable water tier 2)	0.016019	--
Above 4,500 cf (rate is 90% of potable water tier 3)	0.024167	--
Commercial Landscape	0.007453	--
Recreational Turf	0.007950	--
Uniform Volumetric Rate ⁽²⁾	--	0.011684

⁽¹⁾ 1 cf = 1 cubic foot of water.

⁽²⁾ In December 2023, the commodity charge was replaced by a uniform volumetric rate.
Source: The District.

Facility Capacity Charges. The table below sets forth facility capacity charge rates for a 0.75" dual plumbed residential connection (includes both water and recycled water meter) for Fiscal Years 2023 and 2024 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 2023 and 2024**

<i>2023 Rate</i>	<i>2024 Rate</i>
\$20,414	\$20,907

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.

Future Recycled Water System Improvements

The District estimates total capital improvements to the Recycled Water System of approximately \$5.6 million 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 2024 through Fiscal Year 2028:

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

<i>Fiscal Year Ending December 31</i>	<i>Increase in New Connections</i>	<i>Increase/(Decrease)</i>
2024	5	0.09%
2025	5	0.09
2026	5	0.09
2027	5	0.09
2028	5	0.09

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

The number of additional connections to the Recycled Water System is extremely limited due to the supply and demand imbalance. See the caption “THE EL DORADO IRRIGATION DISTRICT—Certain Factors Affecting Growth” above.

Projected Recycled Water System Demand

The District currently estimates that Recycled Water System demand for Fiscal Year 2024 through Fiscal Year 2028 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>
2024	3,455	0.09%
2025	3,458	0.09
2026	3,461	0.09
2027	3,464	0.09
2028	3,467	0.09

⁽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 2024 through Fiscal Year 2028. The projected recycled water service charge revenues reflect the rate increases approved by the Board of Directors through Fiscal Year 2028. 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>
2024	\$2,637,660	3.7%
2025	2,738,524	3.7
2026	2,843,245	3.7
2027	2,951,971	3.7
2028	3,064,855	3.7

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. 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 Years Ended December 31, 2019, through 2023**

	2023	2022	2021	2020	2019
Revenues					
Wastewater Service Charges	\$ 23,002,126	\$ 22,400,843	\$ 21,095,538	\$ 22,443,036	\$ 22,235,351
Facility Capacity Charges ⁽¹⁾	4,252,230	3,877,454	6,895,304	4,861,626	5,115,328
1% Property Tax Revenue ⁽¹⁾⁽²⁾	7,008,590	3,745,300	3,631,567	3,490,161	5,257,953
Wastewater Service ⁽³⁾	438,163	387,897	279,976	370,453	409,335
Surcharges ⁽¹⁾	-	-	93,548	1,002,950	1,007,347
Investment Income ⁽⁴⁾	918,400	2,584,549	120,942	345,186	763,847
Recycled Water Reimbursement/Sales	2,540,511	2,711,838	2,535,981	2,773,429	2,417,661
Other Income ⁽¹⁾	<u>1,036,374</u>	<u>601,969</u>	<u>684,878</u>	<u>1,234,575</u>	<u>441,848</u>
Total Revenues	\$ 39,196,394	\$ 36,309,850	\$ 35,337,734	\$ 36,521,416	\$ 37,648,670
Operation and Maintenance Costs⁽¹⁾					
Personnel Expenses ⁽⁵⁾	\$ 11,755,021	\$ 10,236,088	\$ 10,573,231	\$ 10,458,183	\$ 10,869,403
Operating Supplies	646,272	2,045,515	1,676,016	1,601,286	1,601,146
Chemicals	1,062,856	728,968	641,124	586,029	629,150
Administration	1,176,338	1,457,291	2,191,361	1,149,737	1,076,302
Utilities	3,092,801	3,134,483	2,626,925	2,963,707	2,720,838
Professional Services	2,558,507	1,830,162	1,711,719	1,550,320	1,732,884
Repair Services	623,794	284,915	225,548	215,595	362,463
Insurance	199,083	243,591	202,889	153,231	180,358
Other Expense	<u>53,303</u>	<u>12,842</u>	<u>318,276</u>	<u>187,870</u>	<u>98,747</u>
Total Operation and Maintenance Costs	\$ 21,167,975	\$ 19,973,855	\$ 20,167,089	\$ 18,865,958	\$ 19,271,292
Net Revenues	\$ 18,028,419	\$ 16,335,995	\$ 15,170,645	\$ 17,655,458	\$ 18,377,379
Senior Debt Service⁽⁶⁾					
2009A Installment Purchase Agreement	--	--	--	--	\$ 1,474,721
2010A Installment Purchase Agreement	--	--	--	--	331,532
2012A Bonds ⁽⁷⁾	--	--	--	\$ 1,803,162	1,940,838
2012B Bonds	--	--	--	94,445	95,300
2014A Bonds ⁽⁷⁾	375,232	379,156	228,662	1,855,706	2,905,436
2016A Bonds ⁽⁷⁾	404,360	405,405	1,723,524	1,725,592	354,376
2016B Installment Purchase Agreement	--	--	--	--	--
2016C Bonds	394,249	394,249	394,249	1,467,318	1,564,870
2020C Bonds ⁽⁷⁾	1,450,027	1,450,720	2,162,507	1,008,906	--
2020D Bonds	<u>1,129,564</u>	<u>1,130,694</u>	<u>1,130,650</u>	<u>--</u>	<u>--</u>
Total Senior Debt Service	\$ 3,753,432	\$ 3,760,224	\$ 5,639,591	\$ 7,995,129	\$ 8,667,072
Senior Debt Service Coverage	4.80	4.34	2.69	2.22	2.12
Net Revenues Available for Subordinate Debt Service Coverage	\$ 14,274,987	\$ 12,575,771	\$ 9,531,054	\$ 9,700,329	\$ 9,710,307
Subordinate Debt Service⁽⁶⁾					
2022A Bonds	<u>\$ 2,382,093</u>	<u>\$ 124,215</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Subordinate Debt Service	\$ 2,382,093	\$ 124,215	--	--	--
Subordinate Debt Service Coverage	5.99	101.24	--	--	--
All-in Debt Service Coverage	2.94	4.21	2.69	2.22	2.12
Net Revenues Available for Capital Projects or Other Purposes	\$ 11,892,894	\$ 12,451,556	\$ 9,531,054	\$ 9,700,329	\$ 9,710,307

(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.

(3) Decrease in Fiscal Years 2020 and 2021 a result of decreases in development services revenue.

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- (4) Excludes unrealized gains and losses on investments.
- (5) Excludes non-cash accrual of benefits related to pension and post-employment benefits.
- (6) Debt Service payments allocated to the Wastewater System.
- (7) Reflects prepayments in 2018 through 2022 of principal and interest due on the next succeeding March 1, respectively. See the caption “—Management Discussion With Respect to Fiscal Years 2018 through 2023” below.

Source: The District.

Management Discussion With Respect To Fiscal Years 2018 through 2023

In Fiscal Years 2018 and 2019 the District prepaid \$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 2018 and 2019, approximately 42.6% of such prepayments were allocable to the Wastewater System in each of such Fiscal Years.

In Fiscal Years 2018 and 2019 the District prepaid \$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 2018 and 2019, approximately 44.8% of such prepayments were allocable to the Wastewater System in each of such Fiscal Years.

In Fiscal Years 2020 and 2021 and 2022, the District prepaid \$5,999,106, \$2,996,030 and \$2,998,000 in principal and interest, respectively, of the 2020C Bonds due on the succeeding March 1, from District reserves. In Fiscal Years 2020 and 2021 and 2022, approximately 44.3% of such prepayments were allocable to the Wastewater System in each of such Fiscal Years.

In Fiscal Year 2021 and 2022, the District prepaid \$2,998,125 and \$2,998,125 in principal and interest of the 2016A Bonds due on the succeeding March 1, from District reserves. In Fiscal Year 2021 and 2022, approximately 44.0% of such prepayments were allocable to the Wastewater System.

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 1.63 in 2019, 1.67 in Fiscal Year 2020, 1.83 in Fiscal Year 2021, 2.55 in Fiscal Year 2022 and 2.82 in Fiscal Year 2023.

Projected Operating Results and Debt Service Coverage

The District’s estimated projected operating results for the Wastewater System for Fiscal Year 2024 through Fiscal Year 2028, 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 Year 2023, the District prepaid \$2,915,660 in principal and interest, respectively, of the 2020C Bonds due on March 1, 2024 from District reserves. Approximately 44.3% of such prepayment was allocable to the Wastewater System.

In Fiscal Year 2023, the District prepaid \$2,454,875 principal and interest of the 2016A Bonds due on March 1, 2024 from District reserves. 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 projected to be 2.52 in Fiscal Year 2024.

The District anticipates prepaying, from District reserves, approximately \$6,000,000 in principal amount of the 2020C Bonds in each of Fiscal Years 2024 through 2028. Approximately 44.3% 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 4.46 times senior debt service coverage in Fiscal Year 2025, 4.95 in Fiscal Year 2026, 4.80 in Fiscal Year 2027 and 4.52 in Fiscal Year 2028. 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.

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

	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>
Revenues					
Wastewater Service Charges ⁽¹⁾	\$25,150,615	\$26,112,375	\$27,110,912	\$28,147,633	\$29,223,999
Facility Capacity Charges ⁽²⁾	4,100,000	4,100,000	4,100,000	4,100,000	2,460,000
1% Property Tax Revenue ⁽³⁾	6,720,000	6,854,400	6,991,488	7,131,318	7,273,944
Investment Income ⁽⁴⁾	300,000	300,000	300,000	300,000	300,000
Recycled Water Reimbursement/Sales ⁽⁵⁾	2,637,660	2,738,524	2,843,245	2,951,971	3,064,855
Other Income ⁽⁶⁾	<u>575,092</u>	<u>578,083</u>	<u>581,089</u>	<u>583,413</u>	<u>585,747</u>
Total Revenues	\$39,483,367	\$40,683,382	\$41,926,734	\$43,214,335	\$42,908,545
Operation and Maintenance Costs					
Personnel Expenses	\$12,938,884	\$13,407,168	\$13,745,029	\$14,093,024	\$14,451,460
Operating Supplies	1,818,280	1,909,194	1,966,470	2,025,464	2,086,228
Chemicals	892,754	937,391	965,513	994,479	1,024,313
Administration	1,447,129	1,519,485	1,565,070	1,612,022	1,660,383
Utilities	3,332,096	3,498,701	3,603,662	3,711,772	3,823,125
Professional Services	2,134,321	2,241,037	2,308,268	2,377,516	2,448,841
Repair Services	237,205	249,065	256,537	264,233	272,160
Insurance	519,998	545,998	562,378	579,249	596,627
Other Expense	<u>52,483</u>	<u>55,108</u>	<u>56,761</u>	<u>58,464</u>	<u>60,218</u>
Total Operation and Maintenance Costs	\$23,373,110	\$24,363,147	\$25,029,688	\$25,716,223	\$26,423,555
Net Revenues	\$16,110,257	\$16,320,235	\$16,897,046	\$17,498,112	\$16,485,190
Senior Debt Service⁽⁷⁾					
2014 Bonds	\$ 377,990	\$2,010,794	\$ -	\$ -	\$ -
2016A Bonds ⁽⁸⁾	644,930	-	-	-	-
2016B Installment Purchase Agreement ⁽⁹⁾	-	-	-	-	-
2016C Bonds	394,249	394,249	394,249	394,249	394,249
2020A Installment Purchase Agreement ⁽¹⁰⁾	-	-	-	-	-
2020B Bonds ⁽¹¹⁾	-	-	-	-	-
2020C Bonds ⁽¹²⁾	1,485,979	2,777,952	2,779,029	4,869,387	4,869,835
2020D Bonds	<u>1,129,547</u>	<u>1,130,595</u>	<u>2,900,002</u>	<u>1,040,308</u>	<u>1,039,152</u>
Total Senior Debt Service	\$4,032,695	\$6,313,590	\$6,073,280	\$6,303,944	\$6,303,236
Senior Debt Service Coverage	3.99	2.58	2.78	2.78	2.62
Net Revenues Available for Subordinate Debt Service Coverage	\$12,077,562	\$10,006,646	\$10,823,766	\$11,194,168	\$10,181,954
Subordinate Debt Service⁽⁷⁾					
2022A Bonds	<u>\$2,112,690</u>	<u>\$1,857,422</u>	<u>\$1,927,122</u>	<u>\$1,973,537</u>	<u>\$2,018,196</u>
Total Subordinate Debt Service	\$2,112,690	\$1,857,422	\$1,927,122	\$1,973,537	\$2,018,196
Subordinate Debt Service Coverage	5.72	5.39	5.62	5.67	5.05
All-in Debt Service Coverage	2.62	2.00	2.11	2.11	1.98
Net Revenues Available for Capital Projects or Other Purposes	\$9,964,872	\$8,149,224	\$8,896,644	\$9,220,632	\$8,163,758

⁽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.”

⁽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. Projected number of water connections is derived from engineering estimates contained within the District’s 2020 Urban Water Management Plan and input from developers. The 2020 Urban Water Management Plan information was derived by engineering consultants using, in part, County of El Dorado Economic Development growth projections.

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- (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) Projected at 1% - 2% per annum on Wastewater System reserves.
- (5) 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."
- (6) Includes revenues from Industrial Pretreatment Program and Cross Connection Program, a State-mandated wastewater and recycled water testing program.
- (7) Debt Service allocated to the Wastewater System.
- (8) Fiscal Year 2024 amount reflects prepayment from District reserves of principal of and interest on the 2016A Bonds due on March 1, 2024, in the amount of \$2,454,875 (56% of this prepayment was allocated to the Water System and 44% was allocated to the Wastewater System).
- (9) No amounts due under the 2016B Installment Purchase Agreement are allocated to the Wastewater System.
- (10) No amounts due under the 2020 Installment Purchase Agreement are allocated to the Wastewater System.
- (11) No amounts due on the 2020B Bonds are allocated to the Wastewater System.
- (12) Fiscal Year 2024 amount reflect prepayment from District reserves of principal of and interest on the 2020C Bonds due on March 1, 2024, in the amounts of \$2,915,660 (56% of this prepayment was allocated to the Water System and 44% was allocated to the Wastewater System).

Source: The District.

FINANCIAL INFORMATION OF THE DISTRICT

Financial Statements

A copy of the most recent audited basic financial statements and memorandum of internal control of the District for the Fiscal Year ending December 31, 2023, prepared by Hudson Henderson & Company, Inc. (the "Auditor") and the Auditor's memorandum of internal control 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, 2023 and 2022 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.

In its memorandum of internal control, the Auditor identified certain deficiencies in internal controls with respect to timeliness of year-end closing of ledgers, interim financial reporting and bank reconciliations. The District has taken actions to address the Auditor's findings. See Appendix A hereto.

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. 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.

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**El Dorado Irrigation District
Historic Operating Results
Fiscal Year Ended December 31, 2019, through 2023**

	2023	2022	2021	2020	2019
Revenues					
Water Sales	\$ 39,397,469	\$ 38,397,508	\$ 38,440,160	\$ 33,895,394	\$ 30,917,264
Wastewater Service Charges	23,002,126	22,400,843	21,095,538	22,443,036	22,235,351
Facility Capacity Charges	10,721,308	11,187,511	16,504,778	9,579,032	12,867,152
1% Property Tax Revenue	17,521,475	14,981,199	14,526,268	13,960,645	13,144,883
Water Service ⁽¹⁾	773,723	2,276,874	587,542	3,475,275	730,601
Wastewater Service	438,163	387,897	279,976	370,453	409,335
Surcharges	1,050,176	1,059,571	1,458,244	2,336,524	2,363,956
Investment Income ⁽²⁾	2,311,904	6,019,439	548,213	1,295,860	2,397,136
Recreation Fees	1,621,760	1,720,887	1,526,205	1,799,869	1,774,235
Reclaimed Water Reimbursement/Sales	2,540,511	2,711,838	2,535,981	7,156,800	2,417,661
Hydroelectric Revenues	5,829,530	4,369,505	3,789,003	2,773,429	9,679,827
Other Income	5,640,725	2,035,082	9,678,017	4,629,374	4,600,330
Total Revenues	<u>\$ 110,848,870</u>	<u>\$ 107,548,154</u>	<u>\$ 110,969,925</u>	<u>\$ 103,715,691</u>	<u>\$ 103,537,731</u>
Operation and Maintenance Costs					
Personnel Expenses ⁽³⁾	\$ 41,628,856	\$ 35,880,309	\$ 32,673,897	\$ 32,050,901	\$ 30,020,266
Operating Supplies	7,285,315	5,522,006	4,698,410	4,618,033	4,786,499
Chemicals	2,000,676	1,468,244	1,127,355	1,119,618	1,096,113
Administration	5,178,440	5,644,097	5,913,847	4,390,139	3,943,347
Utilities	7,063,937	6,488,459	5,813,909	5,889,195	5,235,091
Professional Services	6,240,830	4,655,607	4,825,549	4,770,663	5,003,793
Repair Services	2,803,698	3,305,643	2,548,113	1,890,688	2,126,568
Insurance	954,536	1,016,050	852,580	714,677	810,577
Other Expense ⁽⁴⁾	1,019,783	619,016	614,830	427,841	1,835,299
Total Operation and Maintenance Costs	<u>\$ 74,176,071</u>	<u>\$ 64,599,431</u>	<u>\$ 59,068,490</u>	<u>\$ 55,871,755</u>	<u>\$ 54,857,553</u>
Net Revenues	\$ 36,672,799	\$ 42,948,723	\$ 51,901,435	\$ 47,843,936	\$ 48,680,178
Pre-existing Obligations					
Existing State Loans	--	--	--	\$ 539,658	\$ 1,079,317
Total Pre-existing Obligations	--	--	--	\$ 539,658	\$ 1,079,317
Net Revenues Available for Senior Debt Service Coverage	\$ 36,672,799	\$ 42,948,723	\$ 51,901,435	\$ 47,304,278	\$ 47,600,861
Senior Debt Service					
2009A Installment Purchase Agreement	--	--	--	--	\$ 3,351,638
2010A Installment Purchase Agreement ⁽⁵⁾	--	--	--	--	778,063
2012A Bonds ⁽⁶⁾	--	--	--	\$ 4,231,781	4,554,888
2012B Bonds	--	--	--	221,650	223,656
2014A Bonds ⁽⁶⁾	\$ 836,825	\$ 845,575	\$ 509,950	4,138,506	6,479,563
2016A Bonds ⁽⁶⁾	919,000	921,375	3,917,100	3,921,800	805,400
2016B Installment Purchase Agreement	2,494,250	2,444,250	2,545,950	1,923,650	1,923,650
2016C Bonds	1,009,600	1,009,600	1,009,600	3,757,538	4,007,350
2020A Installment Purchase Agreement	2,693,400	2,693,400	2,693,400	508,753	--
2020B Bonds	955,625	958,000	938,125	52,889	--
2020C Bonds ⁽⁶⁾	3,273,199	3,274,763	4,881,505	2,277,440	--
2020D Bonds	2,864,005	2,866,872	2,866,760	--	--
2024A Installment Purchase Agreement	--	--	--	--	--
Additional State Loans	--	--	--	186,656	373,310
Total Senior Debt Service	<u>\$ 15,045,905</u>	<u>\$ 15,013,836</u>	<u>\$ 19,362,390</u>	<u>\$ 21,220,663</u>	<u>\$ 22,497,516</u>
Senior Debt Service Coverage	2.44	2.86	2.68	2.23	2.12
Net Revenues Available for Subordinate Debt Service Coverage	\$ 21,626,894	\$ 27,934,887	\$ 32,539,045	\$ 26,083,615	\$ 25,103,345
Subordinate Debt Service					
2022A Bonds	\$ 7,096,956	\$ 370,073	\$ --	--	--
Total Subordinate Debt Service	<u>\$ 7,096,956</u>	<u>\$ 370,073</u>	<u>--</u>	<u>--</u>	<u>--</u>
Subordinate Debt Service Coverage	3.05	75.48	--	--	--
All-in Debt Service Coverage	1.66	2.79	2.68	2.23	2.12
Net Revenues for Capital Projects or Other Improvements	\$ 14,529,938	\$ 27,564,814	\$ 32,539,045	\$ 26,083,615	\$ 25,103,345

(Footnotes on following page)

- (1) Fluctuations as result of water transfer revenues.
- (2) Excludes unrealized gains and losses on investments.
- (3) Excludes non-cash accrual of benefits related to pension and post-employment benefits.
- (4) Increase in Fiscal Year 2019 related to additional costs incurred by the District in response to several public safety power shutoff events initiated by PG&E.
- (5) As discussed below under the caption “—Management Discussion With Respect to Fiscal Years 2018 through 2023,” the District prepaid, from District reserves, the outstanding amount under the 2010A Installment Purchase Agreement on March 1, 2019.
- (6) Reflects prepayments in 2018 through 2022 of principal and interest due on the next succeeding March 1, respectively. See the caption “—Management Discussion With Respect to Fiscal Years 2018 through 2023” below.

Source: The District.

Management Discussion With Respect To Fiscal Years 2018 through 2023

In Fiscal Year 2022, the District expended certain amounts from the unrestricted cash and cash equivalents for, among other costs, repair of facilities damaged by the Caldor wildfire. However, certain amounts, including insurance proceeds, allocated to such costs were accounted for as restricted cash and cash equivalents. In the statement of cash flows in the District’s audited financial statements for Fiscal Year 2023, the District showed a negative cash and cash equivalent balance for Fiscal Year 2022 of negative \$3,414,731. The negative cash balance is a result of reclassifying \$18,680,032 of restricted cash and cash equivalents spent on the aforementioned costs to unrestricted cash and cash equivalents. The reclassification had no impact to the ending net position of the District for Fiscal Year 2022 and had no impact on the debt service coverage calculations for Fiscal Years 2022 and 2023 as set forth in this Official Statement.

In Fiscal Years 2018 and 2019 the District prepaid \$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 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 2018 and 2019 the District prepaid \$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 Fiscal Years 2020 and 2021 and 2022, the District prepaid \$5,999,106, \$2,996,030 and \$2,998,000 in principal and interest, respectively, of the 2020C Bonds due on the succeeding March 1, from District reserves. In Fiscal Years 2020 and 2021 and 2022, approximately 55.7% and 44.3% of such prepayments was allocable to the Water System and Wastewater System, respectively.

In Fiscal Year 2021 and 2022, the District prepaid \$2,998,125 and \$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.

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 1.67 in 2019, 1.74 in Fiscal Year 2020, 2.05 in Fiscal Year 2021, 2.04 in Fiscal Year 2022 and 1.51 in Fiscal Year 2023.

Projected Operating Results and Debt Service Coverage

2028 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 Year 2023, the District prepaid \$2,915,660 in principal and interest of the 2020C Bonds due on March 1, 2024 from District reserves. Approximately 55.7% and 44.3% of such prepayments was allocable to the Water System and Wastewater System, respectively.

In Fiscal Year 2023, the District prepaid \$2,454,875 in principal and interest of the 2016A Bonds due on March 1, 2024 from District reserves. 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 projected to be 1.98 in Fiscal Year 2024.

The District anticipates prepaying, from District reserves, approximately \$6,000,000 in principal amount of the 2020C Bonds in each of Fiscal Years 2024 through 2028. Approximately 55.7% of such amounts is expected to be allocated to the Water System in each of such Fiscal Years and approximately 44.3% of such amounts is expected to be allocated to the Wastewater System. As a result of such prepayments, the District projects achieving 1.96 times senior debt service coverage in Fiscal Year 2025, 2.20 in Fiscal Year 2026, 2.49 in Fiscal Year 2027 and 2.13 in Fiscal Year 2028. 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.

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

	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>
Revenues					
Water Sales ⁽¹⁾	\$46,175,472	\$52,776,960	\$59,247,058	\$66,519,566	\$70,097,867
Wastewater Service Charges ⁽²⁾	25,150,615	26,112,375	27,110,912	28,147,633	29,223,999
Facility Capacity Charges ⁽³⁾	10,000,000	10,000,000	10,000,000	10,000,000	6,000,000
1% Property Tax Revenue ⁽⁴⁾	16,800,000	17,136,000	17,487,720	17,828,295	18,184,860
Surcharges	960,000	960,000	960,000	960,000	240,000
Investment Income ⁽⁵⁾	920,000	750,000	750,000	750,000	750,000
Recreation Fees ⁽⁶⁾	2,020,495	1,819,125	1,910,081	2,005,585	2,105,865
Reclaimed Water Reimbursement/Sales	2,637,660	2,738,524	2,843,245	2,951,971	3,064,855
Hydroelectric Revenues ⁽⁷⁾	4,130,000	3,500,000	3,500,000	3,500,000	3,500,000
Other Income ⁽⁸⁾	<u>1,707,842</u>	<u>1,715,104</u>	<u>1,721,407</u>	<u>1,727,038</u>	<u>1,732,688</u>
Total Revenues	\$110,502,084	\$117,508,088	\$125,521,423	\$134,390,088	\$139,496,547
Operation and Maintenance Costs					
Personnel Expenses	\$38,468,085	\$39,432,848	\$40,426,555	\$41,450,072	\$42,504,295
Operating Supplies	4,814,973	5,055,721	5,207,393	5,363,615	5,524,523
Chemicals	1,910,274	2,005,787	2,065,961	2,127,941	2,191,779
Administration	5,350,863	5,618,406	5,786,959	5,960,568	6,139,385
Utilities	7,213,364	7,574,032	7,801,253	8,035,291	8,276,350
Professional Services	6,945,421	7,292,692	7,511,473	7,736,817	7,968,921
Repair Services	2,107,287	2,212,651	2,279,031	2,347,402	2,417,824
Insurance	1,672,550	1,756,178	1,808,863	1,863,129	1,919,023
Other Expenses	<u>596,891</u>	<u>626,736</u>	<u>645,538</u>	<u>664,904</u>	<u>684,851</u>
Total Operation and Maintenance Costs	\$69,079,708	\$71,575,051	\$73,533,026	\$75,549,737	\$77,626,949
Net Revenues	\$41,422,376	\$45,933,037	\$51,988,397	\$58,840,351	\$61,868,598
Senior Debt Service					
2014 Bonds	\$ 842,975	\$ 4,484,375	\$ 0	\$ 0	\$ 0
2016A Bonds ⁽⁹⁾	1,465,750	0	0	0	0
2016B Installment Purchase Agreement	2,491,500	8,088,625	8,093,000	8,090,375	8,085,125
2016C Bonds	1,009,600	1,009,600	1,009,600	1,009,600	1,009,600
2020A Installment Purchase Agreement	2,693,400	2,844,525	2,944,025	2,940,525	3,175,400
2020B Bonds	873,500	876,500	770,250	774,750	543,250
2020C Bonds ⁽¹⁰⁾	3,354,354	6,270,771	6,273,204	10,991,845	10,992,855
2020D Bonds	2,863,964	2,866,619	7,352,946	2,637,697	2,634,768
2024A Installment Purchase Agreement	0	3,012,867	3,153,000	3,153,000	3,153,000
2027A Installment Purchase Agreement	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,400,000</u>
Total Senior Debt Service	\$15,595,043	\$29,453,882	\$29,596,026	\$29,597,792	\$34,993,999
Senior Debt Service Coverage	2.66	1.56	1.76	1.99	1.77
Net Revenues Available for Subordinate Debt Service Coverage	\$25,827,333	\$16,479,155	\$22,392,371	\$29,242,559	\$26,875,600
Subordinate Debt Service					
2022A Bonds	\$ 6,295,261	\$ 5,534,631	\$ 5,742,317	\$ 5,880,622	\$ 6,013,695
Total Subordinate Debt Service	\$ 6,295,261	\$ 5,534,631	\$ 5,742,317	\$ 5,880,622	\$ 6,013,695
Subordinate Debt Service Coverage	4.10	2.98	3.90	4.97	4.47
All-in Debt Service Coverage	1.89	1.31	1.47	1.66	1.51
Net Revenues Available for Capital Projects or Other Purposes	\$19,532,072	\$10,944,524	\$16,650,054	\$23,361,937	\$20,861,905

(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

(Footnotes continued on following page)

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- 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.”
- (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 Wastewater System. Revenues from Facility Capacity Charges based on District projections of operating results. Projected number of water connections is derived from engineering estimates contained within the District’s 2020 Urban Water Management Plan and input from developers. The 2020 Urban Water Management 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) Projected at 1% to 2% per annum on projected District reserves.
 - (6) Based on District projections.
 - (7) 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.”
 - (8) Includes revenues from Industrial Pretreatment Program and Cross Connection Program, a State-mandated wastewater and recycled water testing program.
 - (9) Fiscal Year 2024 amount reflects prepayment from District reserves of principal of and interest on the 2016A Bonds due on March 1, 2024 in the amount of \$2,454,875 (56% of this prepayment was allocated to the Water System and 44% was allocated to the Wastewater System).
 - (10) Fiscal Year 2024 amount reflect prepayment from District reserves of principal of and interest on the 2020C Bonds due on March 1, 2024 in the amounts of \$2,915,660 (56% of this prepayment was allocated to the Water System and 44% was allocated to the Wastewater System).

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 2024A Certificates. 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 2024A Certificates. 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 2024A Certificates.

Accuracy of Assumptions

To estimate the Net Revenues which will be available to pay the Installment Payments, 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 Installment Payments 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 2024A CERTIFICATES—Rate Covenants.”

Rates Covenants Not a Guarantee

The Installment Payments are payable from Net Revenues. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2024A CERTIFICATES.” The District’s ability to pay the Installment Payments depends on its ability to generate Net Water System Revenues and Net Wastewater System Revenues at the levels required by the 2024 Installment Purchase Agreement. Although the District has covenanted in the 2024 Installment Purchase Agreement to impose rates and charges as more particularly described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2024A CERTIFICATES — 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 2024 Installment Purchase Agreement. 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 Installment Payments. 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. If District is unable to increase rates and charges for any reason, it may be necessary for the District to implement other actions to comply with the rate covenants, including reducing expenses.

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 Installment Payments. The District Board of Directors has adopted rate increases for water, wastewater and recycled water services through 2028 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 2024A CERTIFICATES—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 2024A CERTIFICATES—Rate Covenants.”

Limited Recourse on Default

If the District defaults on its obligation to pay the Installment Payments, the Trustee has the right to declare the total unpaid principal amount of the Installment Payments, 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.

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. See the caption “THE WATER SYSTEM OF THE DISTRICT— Response to Weather Conditions and Other Risks—2022-2023 Storms.” 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. 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. 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. See the caption “THE WATER SYSTEM OF THE DISTRICT— Response to Weather Conditions and Other Risks—2021 Caldor Fire Recovery” and “— Wildfire Risks.”

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

Drought. Hydrological conditions in California can vary widely, both in location and from year to year. In prior drought periods, the State has implemented mandatory water reductions in cities and towns across California. There can be no assurance that future drought conditions will not lead to decreased usage of the District’s Water System. See the caption “THE WATER SYSTEM OF THE DISTRICT— Response to Weather Conditions and Other Risks—*District Drought Response Actions and Impact.*”

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 wildfires. 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 Drought Action Plan that is updated periodically by the District (the most recent update was 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 for basins designated as critically over-drafted, or by January 31, 2022 for all other high and medium priority basins. 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.

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 Special Counsel concurrently with the execution and delivery of the 2024A Certificates will be subject to such limitations and the various other legal opinions to be delivered concurrently with the execution and delivery of the 2024A Certificates will be similarly qualified. See Appendix C. In the event that the District fails to comply with its covenants under the 2024 Installment Purchase Agreement or fails to pay the Installment Payments, which secure the payments of principal and interest with respect to the 2024A Certificates, there can be no assurance of the availability of remedies adequate to protect the interest of the Owners of the 2024A Certificates.

Limited Obligations

The 2024 Installment Purchase Agreement is a limited obligation of the District payable solely from Net Revenues and secured solely by the Revenues pledged in the 2024 Installment Purchase Agreement. If for any reason, the District does not collect sufficient Revenues to pay the Installment Payments, 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 2024 Trust Agreement to pay the 2024A Certificates.

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 Installment Payments.

Parity Obligations

The 2024 Installment Purchase Agreement permits the District to issue Bonds and enter into Contracts payable from Net Revenues on a parity with the Installment Payments, which secure the 2024A Certificates,, 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 Installment Payments. 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 125% 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 2024A CERTIFICATES—Additional Contracts and Bonds.”

Loss of Tax Exemption

Interest with respect to the 2024A Certificates could become includable in gross income for purposes of federal income taxation retroactive to the date that the 2024A Certificates were executed and delivered as a result of future acts or omissions of the District in violation of its covenants in the 2024 Installment Purchase Agreement and the 2024 Trust Agreement. In addition, current and future legislative proposals, if enacted into law, may cause interest with respect to the 2024A Certificates to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the aggregate amount of interest on state and local government bonds that may be treated as tax exempt by individuals. See the caption “TAX MATTERS.” Should such an event of taxability occur, the 2024A Certificates are not subject to a special prepayment and will remain outstanding until maturity.

Secondary Market

There can be no guarantee that there will be a secondary market for the 2024A Certificates or, if a secondary market exists, that any 2024A Certificates 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. 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 2024 Installment Purchase Agreement that, to the fullest extent permitted by law, it will prescribe rates and charges sufficient to provide Net Revenues for payment of the Installment Payments in each Fiscal Year, as described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2024A CERTIFICATES—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 XIID, the local government’s ability to increase such fee or charge may be limited by a majority protest.

In addition, Article XIID 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 XIID 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 XIID 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 XIIC. Article XIIC provides that the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge and that the power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments. Article XIIC does not define the terms “local tax,” “assessment,” “fee” or “charge,” so it was unclear whether the definitions set forth in Article XIID referred to above are applicable to Article XIIC. Moreover, the provisions of Article XIIC are not expressly limited to local taxes, assessments, fees and charges imposed after November 6, 1996. On July 24, 2006, the State Supreme Court held in the *Bighorn Case* that the provisions of Article XIIC included rates and fees charged for domestic water use. In the decision, the Court noted that the decision did not address whether an initiative to reduce fees and charges could override statutory rate setting obligations. The District does not believe that Article XIIC grants to the voters within the District the power to repeal or reduce the water charges in a manner which would be inconsistent with the contractual obligations of the District. However, there can be no assurance of the availability of particular remedies adequate to protect the beneficial owners of the 2024A Certificates. Remedies available to beneficial owners of the 2024A Certificates 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 2024A Certificates, the 2024 Installment Purchase Agreement and

the 2024 Trust Agreement 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 Special 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

Special Counsel will render an opinion with respect to the validity of the 2024 Installment Purchase Agreement and the 2024 Trust Agreement substantially in the form set forth in Appendix C hereto. A copy of such opinion will be furnished to the Underwriter at the time of initial delivery of the 2024A Certificates.

Certain legal matters will be passed upon for the District and the Corporation by General Counsel to the District and the Corporation, Brian D. Poulsen, Esq., for the Underwriter by its counsel, Kutak Rock LLP and for the Trustee by its counsel.

The payment of the fees of Special Counsel is contingent upon the execution and delivery of the 2024A Certificates.

Special Counsel express no opinion to the owners of the 2024A Certificates as to the accuracy, completeness or fairness of this Official Statement or other offering materials relating to the 2024A Certificates and expressly disclaims any duty to advise the Owners of the 2024A Certificates as to matters related to this Official Statement.

Stradling Yocca Carlson & Rauth LLP, represents the District in connection with the execution and delivery of the 2024A Certificates. Stradling Yocca Carlson & Rauth LLP represents the Underwriter from time-to-time on other financings and matters unrelated to the District and the 2024A Certificates. Stradling Yocca Carlson & Rauth LLP does not represent the Underwriter or any other party with respect to the execution and delivery of the 2024A Certificates 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 execution and delivery of the 2024A Certificates, the application of the proceeds thereof in accordance with the 2024 Trust Agreement, or in any way contesting or affecting the validity or enforceability of the 2024 Trust Agreement, the 2024 Installment Purchase Agreement, the 2024A Certificates 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 2024A Certificates or any action of the District contemplated by any of said documents, nor to the knowledge of the District, is there any basis therefor.

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 make Installment Payments.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California ("Special Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, the portion of each Installment Payment with respect to the 2024A Certificates constituting interest (and original issue discount) is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Special Counsel, the portion of each Installment Payment with respect to the 2024A Certificates constituting interest (and original issue discount) is exempt from State personal income tax.

Special Counsel's opinion as to the exclusion from gross income of the portion of each Installment Payment with respect to the 2024A Certificates constituting interest (and original issue discount) is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the execution and delivery of the 2024A Certificates to assure that the portion of each Installment Payment with respect to the 2024A Certificates constituting interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the portion of each Installment Payment with respect to the 2024A Certificates constituting interest (and original issue discount) to be included in gross income for federal income tax purposes retroactive to the date of execution and delivery of the 2024A Certificates. The District has covenanted to comply with all such requirements.

The difference between the issue price of a 2024A Certificate (the first price at which a substantial amount of the 2024A Certificate of a maturity is to be sold to the public) and the stated payment price at maturity with respect to the 2024A Certificate (to the extent the payment price at maturity is greater than the

issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a 2024A Certificate Owner's before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a 2024A Certificate Owner will increase the 2024A Certificate Owner's basis in the applicable 2024A Certificate.

The amount by which a 2024A Certificate Owner's original basis for determining gain or loss on sale or exchange of the applicable 2024A Certificate (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the 2024A Certificate Owner's basis in the applicable 2024A Certificate (and the amount of tax-exempt interest received with respect to the 2024A Certificates), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a 2024A Certificate Owner realizing a taxable gain when a 2024A Certificate is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the 2024A Certificate to the Owner. Purchasers of the 2024A Certificates should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable 2024A Certificate premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax exempt bond issues, including both random and targeted audits. It is possible that the 2024A Certificates will be selected for audit by the IRS. It is also possible that the market value of the 2024A Certificates might be affected as a result of such an audit of 2024A Certificates (or by an audit of similar municipal obligations). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the execution and delivery of the 2024A Certificates and to the extent that it adversely affects the exclusion from gross income of interest on the portion of each Installment Payment with respect to the 2024A Certificates constituting interest or the market values of the 2024A Certificates.

It is possible that subsequent to the execution and delivery of the 2024A Certificates there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the 2024A Certificates or the market value of the 2024A Certificates. Recently, proposed legislative changes have been introduced in Congress, which, if enacted, could result in additional federal income or state tax being imposed on owners of tax-exempt state or local obligations, such as the 2024A Certificates. The introduction or enactment of any of such changes could adversely affect the market value or liquidity of the 2024A Certificates. No assurance can be given that subsequent to the execution and delivery of the 2024A Certificates and the such changes (or other changes) will not be introduced or enacted or interpretations will not occur. Before purchasing any of the 2024A Certificates, all potential purchasers should consult their tax advisors regarding possible statutory changes or judicial or regulatory changes or interpretations, and their collateral tax consequences relating to the 2024A Certificates.

Special Counsel's opinion with respect to the 2024A Certificates may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date of delivery of its opinion. Special Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The 2024 Installment Purchase Agreement, the 2024 Trust Agreement and the Tax Certificate relating to the 2024A Certificates permit certain actions to be taken or to be omitted if a favorable opinion of Special Counsel is provided with respect thereto. Special Counsel expresses no opinion as to the effect on the exclusion from gross income of interest for federal income tax purposes with respect to the portion of each Installment Payment with respect to the 2024A Certificates constituting interest or if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth LLP.

Although Special Counsel will render an opinion that the portion of each Installment Payment with respect to the 2024A Certificates constituting interest (and original issue discount) is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the 2024A Certificates and the accrual or receipt of interest on the

2024A Certificates may otherwise affect the tax liability of certain persons. Special Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the 2024A Certificates, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the 2024A Certificates.

RATINGS

The District expects that S&P Global Ratings (“S&P”) will assign the 2024A Certificates the rating of “___” (___ outlook) and that Moody’s Investors Service, Inc. (“Moody’s”) will assign the 2024A Certificates the rating of “___” (___ outlook). There is no assurance that any credit rating given to the 2024A Certificates will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by S&P or Moody’s, respectively, if, in the judgment of S&P or Moody’s, as applicable, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2024A Certificates. Such ratings reflect only the views of S&P and Moody’s, respectively, and an explanation of the significance of such ratings may be obtained from S&P and Moody’s. Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies.

In providing a rating on the 2024A Certificates, S&P and Moody’s may have performed independent calculations of coverage ratios using their own internal formulas and methodology which may not reflect the provisions of the 2024 Installment Purchase Agreement. 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 2024 Installment Purchase Agreement, 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 2024A Certificates to file on EMMA, notices of any ratings changes on the 2024A Certificates. See the caption “CONTINUING DISCLOSURE UNDERTAKING” below and Appendix E. Notwithstanding such covenant, information relating to ratings changes on the 2024A Certificates 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 2024A Certificates are directed to the ratings agencies and their respective websites and official media outlets for the most current ratings changes with respect to the 2024A Certificates after the initial execution and delivery of the 2024A Certificates.

UNDERWRITING

The 2024A Certificates will be purchased by J.P. Morgan Securities LLC (the “Underwriter”) pursuant to a purchase contract, dated October __, 2024 (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 2024A Certificates for an aggregate purchase price of \$_____ (representing the principal amount of the 2024A Certificates, less an Underwriter’s discount of \$_____, plus an original issue premium of \$_____). The Purchase Contract with respect to the 2024A Certificates provides that the Underwriter will purchase all of the 2024A Certificates, if any are purchased, the obligation to make such a purchase being subject to certain terms and conditions set forth in such Purchase Contract, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter of the 2024A Certificates has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase 2024A Certificates from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

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 2024A Certificates to certain dealers (including dealers depositing 2024A Certificates into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

CONTINUING DISCLOSURE UNDERTAKING

The District has covenanted in a Continuing Disclosure Certificate for the benefit of the holders and beneficial owners of the 2024A Certificates 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 2024) (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 2024A Certificates are set forth in Appendix E—“FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter in complying with Section (b)(5) of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

Over the past five years, the District has been subject to obligations under various continuing disclosure certificates (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. The District’s audited financial statements for Fiscal Year 2022 and certain information derived from such audited financial statements were filed approximately 117 days after the date required by the Prior Continuing Disclosure Undertakings.

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 2024A Certificates.

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT AND
MEMORANDUM OF INTERNAL CONTROL**

APPENDIX B

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

The following is a summary of certain provisions of the 2024 Installment Purchase Agreement and the 2024 Trust Agreement which are not described elsewhere. This summary does not purport to be comprehensive and reference should be made to the respective agreement for a full and complete statement of the provisions thereof.

APPENDIX C

FORM OF OPINION OF SPECIAL COUNSEL

Upon execution and delivery of the 2024A Certificates, Stradling Yocca Carlson & Rauth LLP, Special Counsel, proposes to render its final approving opinion in substantially the following form:

_____, 2024

El Dorado Irrigation District
2890 Mosquito Road
Placerville, California 95667

Re: El Dorado Irrigation District Revenue Certificates of Participation, Series 2024A

Members of the Board of Directors:

We have acted as Special Counsel to the El Dorado Irrigation District (the “District”) in connection with the execution and delivery of \$_____ aggregate principal amount of Revenue Certificates of Participation, Series 2024A, dated the date hereof (the “Certificates”), each evidencing and representing an interest of the registered owner thereof in the right to receive Installment Payments (as that term is defined in the Trust Agreement hereinafter mentioned) under and pursuant to that certain Installment Purchase Agreement (the “Agreement”), dated as of October 1, 2024, by and between the District and El Dorado Irrigation District Financing Corporation (the “Corporation”), which right to receive such Installment Payments has been assigned by the Corporation to U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), pursuant to the Assignment Agreement, dated as of October 1, 2024, by and between the Trustee and the Corporation. The Certificates have been executed by the Trustee pursuant to the terms of the Trust Agreement, dated as of October 1, 2024 (the “Trust Agreement”), by and among the District, the Corporation and the Trustee.

In connection with our representation we have examined a certified copy of the proceedings relating to the Certificates. 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 Special 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 execution and delivery by the District of the Agreement and the Trust Agreement under the laws of the State of California now in force, and the Agreement and the Trust Agreement have been duly authorized, executed and delivered by the District, and, assuming due authorization, execution and delivery by the Trustee and the Corporation, as appropriate, are valid and binding obligations of the District enforceable against the District in accordance with their respective terms.

2. The Certificates, assuming due execution and delivery by the Trustee, are entitled to the benefits of the Trust Agreement.

3. The obligation of the District to make the Installment Payments from Net Revenues (as defined in the Agreement) 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.

4. Under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, the portion of each Installment Payment constituting interest (and original issue discount) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.

5. The portion of each Installment Payment constituting interest (and original issue discount) is exempt from State of California personal income tax.

6. The amount by which a Certificate Owner's original basis for determining gain or loss on sale or exchange of the applicable Certificate (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable bond premium reduces the Certificate Owner's basis in the applicable Certificate (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Certificate Owner realizing a taxable gain when a Certificate is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Certificate to the Owner.

7. The difference between the issue price of a Certificate (the first price at which a substantial amount of the Certificate of a maturity is to be sold to the public) and the stated payment price at maturity with respect to the Certificate (to the extent the payment price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Certificate Owner's before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Certificate Owner will increase the Certificate Owner's basis in the applicable Certificate.

The opinions expressed herein as to the exclusion from gross income of the portion of each Installment Payment constituting interest (and original issue discount) are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code that must be satisfied subsequent to the execution and delivery of the Certificates to assure that such portion of each Installment Payment constituting interest will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the portion of each Installment Payment constituting interest (and original issue discount) to be included in gross income for federal income tax purposes retroactive to the date of execution and delivery of the Certificates. The District has covenanted to comply with all such requirements.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Trust Agreement, the Agreement and the Tax Certificate permit certain actions to be taken or to be omitted if a favorable opinion of Special Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of the portion of each Installment Payment constituting interest for federal income tax purposes with respect to any Certificate if any such action is taken or omitted based upon the opinion or advice of counsel other than ourselves.

Other than expressly stated herein, we express no other opinion regarding tax consequences with respect to the Certificates.

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 Trust Agreement, the Agreement and the Certificates 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 Certificates, the Trust Agreement or the Agreement, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Trust Agreement or the Agreement 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 Certificates or other offering material relating to the Certificates and expressly disclaim any duty to advise the Owners of the Certificates with respect to matters contained in the Official Statement.

Respectfully submitted,

APPENDIX E

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 2024A Certificates, payment of principal, premium, if any, accreted value, if any, and interest with respect to the 2024A Certificates to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the 2024A Certificates 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 2024A Certificates. The 2024A Certificates 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 certificate will be issued for each annual maturity of the 2024A Certificates, 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 2024A Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024A Certificates on DTC's records. The ownership interest of each actual purchaser of each 2024A Certificate ("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 2024A Certificates 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 2024A Certificates representing their ownership interests in 2024A Certificates, except in the event that use of the book-entry system for the 2024A Certificates is discontinued.

To facilitate subsequent transfers, all 2024A Certificates 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 2024A Certificates 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 2024A Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2024A Certificates 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 2024A Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2024A Certificates, such as redemptions or prepayments, tenders, defaults, and proposed amendments to the 2024A Certificates documents. For example, Beneficial Owners of 2024A Certificates may wish to ascertain that the nominee holding the 2024A Certificates 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 2024A Certificates 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 2024A Certificates 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 2024A Certificates 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 2024A Certificates 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 2024A Certificates shall give notice to elect to have its 2024A Certificates purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such 2024A Certificates by causing the Direct Participant to transfer the Participant's interest in the 2024A Certificates, on DTC's records, to the Trustee. The requirement for physical delivery of 2024A Certificates in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the 2024A Certificates are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered 2024A Certificates to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the 2024A Certificates 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, 2024A Certificates will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE 2024A CERTIFICATES, 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 2024A CERTIFICATES CALLED FOR REDEMPTION OR PREPAYMENT OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

Upon execution and delivery of the 2024A Certificates, the District proposes to enter into a Continuing Disclosure Certificate in substantially the following form:

**CONTINUING DISCLOSURE CERTIFICATE
(2024A CERTIFICATES)**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the El Dorado Irrigation District (the “District”) in connection with the execution and delivery of its \$ _____ Revenue Certificates of Participation, Series 2024A (the “Certificates”). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of October 1, 2024 (the “Trust Agreement”), by and among the District, the El Dorado Irrigation District Financing Corporation and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The District covenants and agrees as follows:

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

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

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

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

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

Financial Obligation. The term “Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

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

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

Installment Purchase Agreement. The term “Installment Purchase Agreement” means the Installment Purchase Agreement, dated as of October 1, 2024, by and between the District and the Corporation.

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

Official Statement. The term “Official Statement” means the Official Statement dated _____, 2024 relating to the Certificates.

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

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

3. Provision of Annual Reports.

(a) The District shall provide not later than 270 days following the end of its Fiscal Year (commencing with Fiscal Year [2024]) to EMMA an Annual Report relating to the immediately preceding Fiscal Year which is consistent with the requirements of Section 4 of this Disclosure Certificate, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

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

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

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

(b) Principal amount of the Certificates outstanding.

(c) An update of the information in the following tables under the caption entitled “THE WATER SYSTEM OF THE DISTRICT” in the Official Statement:

- (i) “El Dorado Irrigation District Historic System Firm Yield In Acre-Foot Per Year;”
- (ii) “El Dorado Irrigation District Historic Water Connections;”
- (iii) “El Dorado Irrigation District Historic Water Deliveries In Acre-Foot Per Year;” and

(iv) “El Dorado Irrigation District Historic Water Sales Revenues.”

(d) An update of the information in the following tables under the caption entitled “THE WASTEWATER SYSTEM OF THE DISTRICT” in the Official Statement:

(i) “El Dorado Irrigation District Historic Wastewater Connections;”

(ii) “El Dorado Irrigation District Historic Wastewater System Usage;”

(iii) “El Dorado Irrigation District Historic Wastewater Service Charge Revenues;”

(iv) “El Dorado Irrigation District Historic Recycled Water Connections;”

(v) “El Dorado Irrigation District Historic Recycled Water System Demand in Acre-Feet Per Year;” and

(vi) “El Dorado Irrigation District Historic Recycled Water Service Charge Revenues.”

(e) A table showing Net Revenues of the District and debt service coverage on the Certificates and any parity obligations for the last fiscal year only presented in a similar format as the table entitled “El Dorado Irrigation District Water System Historic Operating Results.”

(f) A table showing Net Revenues of the District and debt service coverage on the Certificates and any parity obligations for the last fiscal year only presented in a similar format as the table entitled “El Dorado Irrigation District Wastewater System Historic Operating Results.”

(g) A table showing Net Revenues of the District and debt service coverage on the Certificates and any parity obligations for the last fiscal year only presented in a similar format as the table entitled “El Dorado Irrigation District Historic Operating Results.”

If the information in sections 4(c) – 4(g) above can be derived from the audited financial statements required to be filed in 4(a) above, failure to file separate tables under sections 4(c) – 4(g) above shall not constitute a default hereunder. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission; provided, that if any document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board; and provided further, that the District shall clearly identify each such document so included by reference.

5. Reporting of Significant Events.

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

1. principal and interest payment delinquencies;

2. unscheduled draws on debt service reserves reflecting financial

difficulties;

- difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
 4. substitution of credit or liquidity providers, or their failure to perform;
 5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB);
 6. tender offers;
 7. defeasances;
 8. ratings changes;
 9. bankruptcy, insolvency, receivership or similar proceedings; and
 10. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

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

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

1. unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Certificates or other events affecting the tax status of the Certificates;
2. modifications to the rights of Certificate holders;
3. optional, unscheduled or contingent Certificate prepayments;
4. release, substitution or sale of property securing repayment of the Certificates;
5. non-payment related defaults;

6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. appointment of a successor or additional trustee or the change of the name of a trustee; and

8. incurrence of a Financial Obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Certificate holders.

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

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

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

8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule. The District will provide notice of such amendment to the Municipal Securities Rulemaking Board.

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

10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Holders or Beneficial Owners of the Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Installment Purchase Agreement or the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

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

11. Dissemination Agent. The District may from time to time appoint or engage a dissemination agent to assist the District in carrying out its obligations under this Disclosure Certificate and may discharge any such dissemination agent with or without appointing a successor dissemination agent.

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

Dated: _____, 2024

EL DORADO IRRIGATION DISTRICT

By: _____
Its: President of the Board of Directors

PURCHASE CONTRACT

EL DORADO IRRIGATION DISTRICT

\$ _____ REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2024A

[Pricing Date]

El Dorado Irrigation District
2890 Mosquito Road
Placerville, California 95667

El Dorado Irrigation District Financing Corporation
2890 Mosquito Road
Placerville, California 95667

Ladies and Gentlemen:

J.P. Morgan Securities LLC (the “Underwriter”), acting on behalf of itself and not as an agent or representative of you, offers to enter into this purchase contract (the “Purchase Contract”) with the El Dorado Irrigation District (the “District”), which will be binding upon the District and the Underwriter upon the acceptance hereof by the District and acknowledgement by the El Dorado Irrigation District Financing Corporation (the “Corporation”). This offer is made subject to its acceptance by the District by execution of this Purchase Contract and its delivery to the Underwriter and acknowledgment by the Corporation on or before 8:00 p.m., California time, on the date hereof. All terms used herein and not otherwise defined shall have the meanings given to such terms in the hereinafter defined Official Statement and if not defined in the Official Statement then in the hereinafter defined Installment Purchase Agreement.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase, and the District hereby agrees to cause to be delivered to the Underwriter, all (but not less than all) of the District’s \$ _____ aggregate principal amount of Revenue Certificates of Participation, Series 2024A (the “Certificates”) at a purchase price of \$ _____ (representing the par amount of the Certificates, plus \$ _____ of [net] original issue premium and less \$ _____ of Underwriter’s discount).

2. Description and Purpose of the Certificates. (a) The Certificates shall be executed and delivered pursuant to a Trust Agreement, dated as of October 1, 2024 (the “Trust Agreement”), by and among the District, the Corporation, and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The Certificates shall mature in the amounts and on the dates and represent interest at the rates set forth in Exhibit A hereto. Other terms of the Certificates shall be as described in the Trust Agreement. The Certificates evidence and represent the proportionate undivided interests of the registered

owners thereof in certain installment payments (the “Installment Payments”) to be made by the District pursuant to an Installment Purchase Agreement, dated as of October 1, 2024 (the “Installment Purchase Agreement”), by and between the District and the Corporation. The Corporation will assign its right to receive Installment Payments to the Trustee pursuant to an Assignment Agreement, dated as of October 1, 2024 (the “Assignment Agreement”), by and between the Corporation and the Trustee.

(b) The proceeds of the Certificates will be used to (i) finance the acquisition of certain facilities for the District’s Water System and (ii) pay the costs of executing and delivering the Certificates.

3. Public Offering. The Underwriter agrees to make an initial public offering of all the Certificates at the public offering prices (or yields) set forth in the Official Statement. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Certificates, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Certificates may be offered and sold to certain dealers at prices lower than such initial public offering price or prices set forth in the hereinafter referred to Official Statement. The Underwriter also reserves the right (i) to engage in transactions that stabilize, maintain or otherwise affect the market price of the Certificates at a level above that which might otherwise prevail in the open market and (ii) to discontinue such transactions, if commenced, at any time.

4. Establishment of Issue Price.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Certificates and shall execute and deliver to the District at Closing (as defined herein) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Special Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Certificates.

(b) Except for any Hold-the-Price Maturities described in subsection (c) below and indicated on Exhibit A attached hereto, the District will treat the first price at which 10% of each maturity of the Certificates (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). Exhibit A attached hereto sets forth the maturities of the Certificates for which the 10% test has been satisfied as of the date of this Purchase Contract (the “General Rule Maturities”) and the prices at which the Underwriters have sold such General Rule Maturities to the public.

(c) With respect to the maturities of the Certificates that are not General Rule Maturities, as described in Exhibit A attached hereto (the “Hold-the-Price Maturities”), the Underwriter confirms that it has offered such maturities of the

Certificates to the public on or before the date of this Purchase Contract at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto. The District and the Underwriter agree that the restrictions set forth in the next sentence shall apply to the Hold-the-Price Maturities, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Hold-the-Price Maturities, the Underwriter will neither offer nor sell unsold Certificates of such maturity of the Hold-the-Price Maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Hold-the-Price Maturities to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall advise the District promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Hold-the-Price Maturities to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement (to which the Underwriter is a party) relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Certificates of each maturity allocated to it, whether or not the Closing Date (as defined herein) has occurred, until either all Certificates of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Certificates of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter and as set forth in the related pricing wires,

(B) to promptly notify the Underwriter of any sales of Certificates that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Certificates to the public (each such term being used as defined below),

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the Underwriter shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Certificates to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Certificates of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Certificates of that maturity allocated to it have been sold or it is notified by the Underwriter or such underwriter or dealer that the 10% test has been satisfied as to the Certificates of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or such underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the underwriter or the dealer and as set forth in the related pricing wires.

(e) The District acknowledges that, in making the representations set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Certificates to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Certificates, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Certificates, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Certificates.

(f) The Underwriter acknowledges that sales of any Certificates to any person that is a related party to an underwriter participating in the initial sale of the Certificates to the public (each such term being used as defined below) shall not

constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Certificates to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Certificates to the public),

(iii) a purchaser of any of the Certificates is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Purchase Contract by all parties.

5. Delivery of Official Statement. Pursuant to the authorization of the District, the Underwriter has distributed copies of the Preliminary Official Statement dated _____, 2024, relating to the Certificates, which, together with the cover page and appendices thereto, is herein called the “Preliminary Official Statement.” By its acceptance of this proposal, the District hereby approves and ratifies the distribution and use by the Underwriter of the Preliminary Official Statement. The District agrees to execute and deliver a final Official Statement in substantially the same form as the Preliminary Official Statement with such changes as may be made thereto with the consent of the District and the Underwriter, and to provide copies thereof to the Underwriter as set forth in Section 8(n) hereof. The District hereby authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Certificates: the Preliminary Official Statement, the Official Statement, the Trust Agreement, the Installment Purchase Agreement, the Assignment Agreement, the Continuing Disclosure Certificate (as hereinafter defined), and other documents or contracts to which the District or the Corporation is a party in connection with the transactions contemplated by this Purchase Contract, including this Purchase Contract and all information contained herein, and all other documents,

certificates and statements furnished by the District or the Corporation to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

6. The Closing. At 8:00 a.m., California time, on October __, 2024 (the “Closing Date”), or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the District, the Corporation, and the Underwriter, the District will cause to be executed and delivered (i) the Certificates in book-entry form through the facilities of The Depository Trust Company (“DTC”), or its agent, on behalf of the Underwriter, and (ii) the closing documents hereinafter mentioned at the offices of Stradling Yocca Carlson & Rauth LLP (“Special Counsel”) in Newport Beach, California or another place to be mutually agreed upon by the District, the Corporation, and the Underwriter. The Underwriter will accept such delivery of the Certificates and pay the purchase price of such Certificates as set forth in Section 1 hereof in immediately available funds to the order of the District. This payment for and delivery of the Certificates, together with the execution and delivery of the aforementioned documents, is herein called the “Closing.”

7. District Representations, Warranties and Covenants. The District represents, warrants and covenants to the Underwriter that:

(a) Due Organization, Existence and Authority. The District is an irrigation district duly organized and existing under the Constitution and laws of the State of California (the “State”), with full right, power and authority to execute, deliver and perform its obligations under this Purchase Contract, the Trust Agreement, the Installment Purchase Agreement, and the Continuing Disclosure Certificate (collectively, the “District Documents”) and to carry out and consummate the transactions contemplated by the District Documents and the Official Statement.

(b) Due Authorization and Approval. By all necessary official action of the District, the District has duly authorized and approved the execution and delivery of, and the performance by the District of the obligations contained or described in, the Preliminary Official Statement, the Official Statement and the District Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, and assuming the authorization, execution and delivery by the other parties thereto, each District Document will constitute the legally valid and binding obligation of the District enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws or equitable principles relating to or affecting creditors’ rights generally or by the exercise of judicial discretion in appropriate cases or by limitations on legal remedies against public agencies in the State.

(c) Official Statement Accurate and Complete. The Preliminary Official Statement was as of its date and is, as of the date hereof, and the Official Statement is as of the date hereof, true and correct in all material respects, and the

Preliminary Official Statement and the Official Statement contain no misstatement of any material fact and do not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (except no representation is made with respect to information relating to DTC or DTC's book-entry system).

(d) Underwriter's Consent to Amendments and Supplements to Official Statement. The District will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The District will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Certificates.

(e) District Agreement to Amend or Supplement Official Statement. If after the date of this Purchase Contract and until 25 days after the end of the "underwriting period" (as defined in Section 240 15c2-12 in Chapter II of Title 17 of the Code of Federal Regulations ("Rule 15c2-12")), any event occurs as a result of which the Official Statement as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and, in the reasonable opinion of the Underwriter, an amended or supplemented Official Statement should be delivered in connection with the offers or sales of the Certificates to reflect such event, the District promptly will prepare at its expense an amendment or supplement which will correct such statement or omission and the District shall promptly furnish to the Underwriter a reasonable number of copies of such amendment or supplement. The Underwriter hereby agrees to deposit the Official Statement with the Municipal Securities Rulemaking Board (the "MSRB"). Unless the Underwriter notifies the District in writing otherwise prior to Closing, the Underwriter acknowledges that the end of the "underwriting period" will be the date of Closing.

(f) No Material Change in Finances. Except as otherwise described in the Preliminary Official Statement or Official Statement, there shall not have been any material adverse changes in the financial condition of the District since December 31, 2023.

(g) No Breach or Default. As of the time of acceptance hereof, (A) the District is not in default, nor has it been in default, as to principal or interest with respect to an obligation issued by the District, and (B) the District is not, in any manner which would materially adversely affect the transactions contemplated by the District Documents, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or is otherwise subject, and no event has occurred and

is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would materially adversely affect the transactions contemplated by the District Documents, a default or event of default under any such instrument; and, as of such time, the authorization, execution and delivery of the District Documents and compliance with the provisions of each of such agreements or instruments do not in any manner which would materially adversely affect the transactions contemplated by the District Documents, conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the District Documents.

(h) No Litigation. As of the time of acceptance hereof, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the best knowledge of the District after due investigation, threatened (A) in any way questioning the corporate existence of the District or the titles of the officers of the District to their respective offices; (B) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Certificates, or in any way contesting or affecting the validity of the Certificates or the District Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest with respect to the Certificates from gross income for federal income tax purposes or contesting the powers of the District to enter into the District Documents; (C) which, except as described in the Preliminary Official Statement or Official Statement, may result in any material adverse change to the financial condition of the District or to its ability to pay the debt service payments on the Certificates when due; or (D) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (A) through (D) of this sentence.

(i) No Prior Liens on Revenues. Except for (A) the 2016B Installment Purchase Agreement, the 2014 Bonds, the 2016A Bonds, the 2016C Bonds, the 2020 Bonds and the 2020A Installment Purchase Agreement which are secured by a lien on the Revenues on a parity with the lien of the Installment Payments, and (B) the 2022 Bonds which are secured by a lien on the Revenues subordinate to the lien of the Installment Payments, the District does not and will not at the time of

the Closing have outstanding any other indebtedness which indebtedness is secured by a lien on the Revenues superior to, on a parity with, or subordinate to, the lien of the Installment Payments on the Revenues.

(j) Further Cooperation: Blue Sky. The District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (A) to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (B) to determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Certificates; provided, however, that the District shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(k) Consents and Approvals. All authorizations, approvals, licenses, permits, consents and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the District of its obligations in connection with, the District Documents or the acquisition of the Project have been duly obtained or made, except as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Certificates.

(l) No Other Obligations. Between the date of this Purchase Contract and the date of Closing and except as otherwise disclosed in the Official Statement, the District will not, without the prior written consent of the Underwriter, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, directly or contingently payable from the Revenues.

(m) Certificates. Any certificate signed by any official of the District and delivered to the Underwriter shall be deemed to be a representation and warranty by the District to the Underwriter as to the statements made therein.

(n) Compliance with Rule 15c2-12. The Preliminary Official Statement heretofore delivered to the Underwriter is hereby deemed final by the District as of its date and as of the date hereof, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(i) of Rule 15c2-12. The District hereby covenants and agrees that, within seven business days from the date hereof, the District shall cause a final form of the Official Statement to be delivered to the Underwriter in sufficient quantity to comply with paragraph (b)(4) of Rule 15c2-12 and rules of the MSRB.

(o) Continuing Disclosure. Except as described in the Preliminary Official Statement or the Official Statement, the District has been in compliance for at least the last five years with all continuing disclosure undertakings that it has entered into pursuant to Rule 15c2-12 in all material respects. The District will undertake, pursuant to the Continuing Disclosure Certificate relating to the Certificates (the “Continuing Disclosure Certificate”) to provide annual reports and notices of certain events in accordance with the requirements of Rule 15c2-12. The form of the Continuing Disclosure Certificate is set forth as Appendix E to the Official Statement.

8. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and covenants herein and the performance by the District and the Corporation of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter’s obligations under this Purchase Contract are and shall be subject to the following additional conditions:

(a) Bring-Down Representation. The representations, warranties and covenants of the District contained herein, shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing (i) the District Documents and the Corporation Documents (as hereinafter defined) shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Underwriter, (ii) there shall be in full force and effect such resolutions (the “Resolutions”) as, in the opinion of Special Counsel, shall be necessary in connection with the transactions contemplated by the Official Statement, the District Documents, and the Corporation Documents, (iii) the District shall perform or have performed its obligations required or specified in the District Documents to be performed at or prior to Closing, (iv) the Corporation shall perform or have performed its obligations required or specified in the Corporation Documents to be performed at or prior to Closing, and (v) the Official Statement shall not have been supplemented or amended, except pursuant to sections 8(d) hereof or as otherwise may have been agreed to in writing by the Underwriter.

(c) No Default. At the time of the Closing, no default, or any event that with the passage of time would be reasonably likely to result in default, shall have occurred or be existing under the Resolutions, the Corporation Documents, the District Documents, or any other agreement or document pursuant to which any of the District’s financial obligations was issued and the District shall not be in default in the payment of principal or interest on any of its financial obligations which default would materially adversely impact the ability of the District to make the Installment Payments.

(d) Termination Events. The Underwriter shall have the right to terminate this Purchase Contract, without liability therefor, by written notification to the District if at any time at or prior to the Closing:

(i) any event shall occur which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(ii) the marketability of the Certificates or the market price thereof or the ability of the Underwriter to market, sell or deliver the Certificates, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Contract in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority materially adversely affecting the federal or State tax status of the District, or the status of the interest on bonds or notes or obligations of the general character of the Certificates; or

(iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price or marketability of the Certificates or the ability of the Underwriter to market, sell or deliver the Certificates; or

(iv) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the execution, delivery, offering or sale of obligations of the general character of the Certificates, or the execution, delivery, offering or sale of

the Certificates, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Certificates, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(v) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which restrictions materially adversely affect the market price or marketability of the Certificates or the Underwriter's ability to market, sell or deliver the Certificates; or

(vi) a general banking moratorium shall have been established by federal or state authorities or any material disruption in commercial banking or securities settlement or clearance services shall have occurred, which moratorium or disruption materially adversely affects the market price or marketability of the Certificates or the ability of the Underwriter to market, sell or deliver the Certificates; or

(vii) the United States has become engaged in hostilities beyond currently existing hostilities which have resulted in a declaration of war or a national emergency or there has occurred any other outbreak or escalation of currently existing hostilities or a national or international calamity or crises, financial or otherwise, the effect of such outbreak, escalation, calamity or crisis on the financial markets of the United States, being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the market price or marketability of the Certificates or the ability of the Underwriter to market, sell or deliver the Certificates; or

(viii) any rating of the securities of the District reflecting the creditworthiness of the District shall have been downgraded, suspended, placed on credit watch or withdrawn by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Certificates or the ability of the Underwriter to market, sell or deliver the Certificates; or

(ix) the commencement of any action, suit or proceeding described in section 7(h) hereof which, in the reasonable judgment of the Underwriter, materially adversely affects the market price or marketability of the Certificates or the ability of the Underwriter to market, sell or deliver the Certificates; or

(x) there shall be in force a general suspension of trading on the New York Stock Exchange, which suspension materially adversely affects

the market price or marketability of the Certificates or the ability of the Underwriter to market, sell or deliver the Certificates.

(e) Closing Documents. At or prior to the Closing, the Underwriter shall receive with respect to the Certificates the following documents:

(i) Approving Opinion. Approving opinion of Special Counsel dated the Closing Date and substantially in the form included as Appendix C to the Official Statement, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriter, to the effect that the foregoing opinion addressed to the District may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it.

(ii) Supplemental Opinion. A supplemental opinion of Special Counsel dated the Closing Date and addressed to the Underwriter substantially in the form attached hereto as Exhibit C.

(iii) District Counsel Opinion. An opinion of Brian D. Poulsen Jr., Esq., general counsel to the District, dated the Closing Date and addressed to the Underwriter, in the form attached hereto as Exhibit D.

(iv) Corporation Counsel Opinion. An opinion of Brian D. Poulsen Jr., Esq., counsel to the Corporation, dated the Closing Date and addressed to the Underwriter, in the form attached hereto as Exhibit E.

(A) Trustee Counsel Opinion. The opinion of counsel to the Trustee, dated the date of the Closing, addressed to the District and the Underwriter, to the effect that:

(A) The Trustee is a national banking association, duly organized and validly existing under the laws of the United States of America, having full corporate power to undertake the trust created under the Trust Agreement and to enter into the Assignment Agreement (together, the “Trustee Documents”);

(B) The Trustee Documents have been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, the Trustee Documents constitute valid and binding obligations of the Trustee enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and by the application of equitable principles, if equitable remedies are sought;

(C) The Trustee has duly executed and delivered the Certificates upon the order of the District;

(D) The Trustee's actions in executing and delivering the Trustee Documents are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound; and

(E) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trust that has not been obtained is or will be required for the execution and delivery of the Certificates or the consummation by the Trustee of its obligations under the Trustee Documents.

(v) Underwriter's Counsel Opinion. An opinion of Kutak Rock LLP, Irvine, California, counsel to the Underwriter ("Underwriter's Counsel"), dated the date of the Closing and addressed to the Underwriter in form and substance satisfactory to the Underwriter.

(vi) District Certificate. A certificate of the District, dated the date of the Closing, signed on behalf of the District by the General Manager or other duly authorized officer of the District to the effect that:

(A) The representations, warranties and covenants of the District contained in the Purchase Contract are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing and the District has complied with all of the terms and conditions of the Purchase Contract required to be complied with by the District at or prior to the date of the Closing;

(B) No event affecting the District has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except no representation is made with respect to information relating to DTC or DTC's book-entry system); and

(C) No event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute an event of default under the District Documents.

(vii) Corporation Certificate. A certificate of the Corporation, dated the date of the Closing, signed on behalf of the Corporation by a duly authorized officer of the Corporation to the effect that:

(A) The Corporation has complied with all of the terms and conditions of the Purchase Contract required to be complied with by the Corporation at or prior to the date of the closing;

(B) No event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute an event of default under the Corporation Documents;

(C) The Corporation is a nonprofit public benefit corporation duly organized and existing under the Constitution and laws of the State, with full right, power and authority to execute, deliver and perform its obligations under the Corporation Documents and to carry out and consummate the transactions contemplated by the Corporation Documents and the Official Statement;

(D) By all necessary official action of the Corporation, the Corporation has duly authorized and approved the execution and delivery of, and the performance by the Corporation of the obligations contained or described in the Corporation Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, each Corporation Document will constitute the legally valid and binding obligation of the Corporation enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws or equitable principles relating to or affecting creditors' rights generally or by the exercise of judicial discretion in appropriate cases or by limitations on legal remedies against public agencies in the State;

(E) The Corporation is not, in any manner which would materially adversely affect the transactions contemplated by the Corporation Documents, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Corporation is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would materially adversely affect the transactions contemplated by the Corporation Documents, a default or event of default under any such instruments; and, as of such time, the authorization, execution and delivery of the Corporation Documents and compliance with the provisions of each of such agreements or instruments do not in any

manner which would materially adversely affect the transactions contemplated by the Corporation Documents, conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Corporation (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Corporation Documents;

(F) As of the time of acceptance hereof no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the best knowledge of the Corporation after due investigation, threatened (A) in any way questioning the corporate existence of the Corporation or the titles of the officers of the Corporation to their respective offices or (B) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Certificates, or in any way contesting or affecting the validity of the Certificates or the Corporation Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest component of Installment Payments from gross income for federal income tax purposes or contesting the powers of the Corporation to enter into the Corporation Documents;

(G) The Corporation will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (A) to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (B) to determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Certificates; provided, however, that the Corporation shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction;

(H) All authorizations, approvals, licenses, permits, consents and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Corporation of its obligations in connection with the Corporation Documents or the acquisition of the Project have been duly obtained or made, except as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Certificates; and

(I) Any certificate signed by any official of the Corporation and delivered to the Underwriter shall be deemed to be a representation and warranty by the Corporation to the Underwriter as to the statements made therein.

(viii) Trustee's Certificate. A certificate, dated the date of the Closing, signed by a duly authorized official of the Trustee satisfactory in form and substance to the Underwriter, to the effect that:

(A) The Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Trustee Documents;

(B) The Trustee is duly authorized to enter into the Trustee Documents and has duly executed and delivered the Trustee Documents, and assuming due authorization and execution by the other parties thereto, the Trustee Documents are legal, valid and binding upon the Trustee, and enforceable against the Trustee in accordance with their respective terms;

(C) The Trustee has duly executed the Certificates and delivered the Certificates to or upon the order of the Underwriter; and

(D) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Certificates or the consummation by the Trustee of its obligations under the Trustee Documents.

(ix) Official Statement. The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the District by duly authorized officers of the District.

(x) Documents. An original executed copy of each of the Corporation Documents and the District Documents.

(xi) District Resolution. Certified copies of the Resolutions, certified by the District Clerk.

(xii) Corporation Resolution. Certified copies of the Corporation Resolutions, certified by the Secretary or Assistant Secretary of the Corporation.

(xiii) Trustee Resolution. A certified copy of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers and employees of the Trustee, which resolution authorizes the execution and delivery of the Trustee Documents.

(xiv) 15c2-12 Certificate of the District. A certificate of the District “deeming final” the Preliminary Official Statement for purposes of Rule 15c2-12.

(xv) 8038-G. Evidence that federal tax information form 8038-G relating to the Certificates have been prepared for filing.

(xvi) Tax Certificate. A tax certificate relating to the Certificates in form satisfactory to Special Counsel.

(xvii) CDIAC Statements. A copy of the Notice of Sale required to be delivered to the California Debt and Investment Advisory Commission (“CDIAC”) pursuant to Sections 8855(g) and 53583 of the California Government Code.

(xviii) Ratings. Evidence from S&P Global Ratings, a Standard & Poor’s Financial Services LLC business (“S&P”) and from Moody’s Investors Service, Inc. (“Moody’s”) that the Certificates have been assigned ratings of “_____” and “_____,” respectively.

(xix) Continuing Disclosure Certificate. An executed copy of the Continuing Disclosure Certificate.

(xx) Additional Documents. Such additional certificates, instruments and other documents as the Underwriter may reasonably deem necessary.

If the District or the Corporation shall be unable to satisfy the conditions contained in this Purchase Contract, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter, the District, nor the Corporation shall be under further obligation hereunder, except as further set forth in Section 9 hereof.

1. Expenses. The Underwriter shall be under no obligation to pay and the District shall pay or cause to be paid the expenses incident to the performance of the obligations of the District hereunder including but not limited to (a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the District Documents and the Corporation Documents and the cost of preparing, printing, issuing and delivering the Certificates; (b) the fees and disbursements of any counsel, financial advisors, accountants or other experts or consultants retained by the District; (c) the fees and disbursements of Special Counsel and Counsel to the District; (d) the fees and disbursements of the rating agencies; (e) the cost of printing and distributing the Preliminary Official Statement and any supplements and amendments thereto and the cost of printing and distributing the Official Statement and any supplements and amendments thereto, including a reasonable number of copies thereof for distribution by the Underwriter; (f) expenses (included in the expense component of the Underwriter's spread) incurred on behalf of the District's officers or employees which are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, lodging, and entertainment of those officers or employees; (g) CUSIP Service Bureau fees and charges; and (h) Trustee fees. In addition, the District shall reimburse the Underwriter for amounts paid to CDIAC in connection with the issuance of the Certificates and the fees of Digital Assurance Certification, L.L.C. for a continuing disclosure undertaking compliance review.

2. The Underwriter shall pay (from the expense component of the Underwriter's spread) and the District shall be under no obligation to pay all expenses incurred by it in connection with the public offering and distribution of the Certificates, including any advertising expenses, expenses incurred in connection with the preparation and distribution of any Blue Sky surveys or any legal investment memoranda and the costs and fees of counsel to the Underwriter.

3. Notice. Any notice or other communication to be given to the Corporation or the District under this Purchase Contract may be given by delivering the same in writing to El Dorado Irrigation District, 2890 Mosquito Road, Placerville, California 95667, Attention: General Manager.

Any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to J.P. Morgan Securities LLC, 2029 Century Park East, Fl. 41, Los Angeles, CA 90067; Attention: Tyler Old, Executive Director.

4. Entire Agreement. This Purchase Contract, when accepted by the District, shall constitute the entire agreement between the District and the Underwriter with respect to the subject matter hereof and is made solely for the benefit of the District and the Underwriter (including the successors of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All of the District's representations, warranties and agreements in this Purchase Contract shall remain operative and in full force and effect except as otherwise provided herein, regardless of any investigations made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Certificates.

5. No Advisory or Fiduciary Role. The District acknowledges and agrees that (i) the purchase and sale of the Certificates pursuant to this Purchase Contract is an arm's-length commercial transaction between the District and the Underwriter and that the Underwriter has financial and other interests that differ from those of the District, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, advisor or fiduciary of the District, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District on other matters) and the Underwriter has no obligation to the District with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract, (iv) the Underwriter is not acting as municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), and (v) the District has consulted its own legal, financial and other advisors to the extent they deemed appropriate in connection with the offering of the Certificates. The District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the MSRB.

6. Counterparts. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

7. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

8. STATE LAW GOVERNS. THE VALIDITY, INTERPRETATION AND PERFORMANCE OF THIS PURCHASE CONTRACT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

9. No Assignment. The rights and obligations created by this Purchase Contract shall not be subject to assignment by the Underwriter or the District without the prior written consent of the other party hereto.

J.P. MORGAN SECURITIES LLC

By: _____
Executive Director

Accepted as of the date
first stated above:

EL DORADO IRRIGATION DISTRICT

By: _____
General Manager

Acknowledged:

EL DORADO IRRIGATION DISTRICT
FINANCING CORPORATION

By: _____
Chief Financial Officer

S-1
PURCHASE CONTRACT
SERIES 2024A CERTIFICATES

EXHIBIT A

EL DORADO IRRIGATION DISTRICT

\$_____ REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2024A

Maturity Date (March 1)	Principal Amount	Interest Rate	Yield	Price
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EXHIBIT B

ISSUE PRICE CERTIFICATE

EL DORADO IRRIGATION DISTRICT

§ _____ REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2024A

The undersigned, on behalf of J.P. Morgan Securities LLC (the “Underwriter”), hereby certifies as set forth below with respect to the sale and delivery of the above-captioned securities (the “Certificates”).

The Underwriter and the El Dorado Irrigation District (the “District”), have executed, and the El Dorado Irrigation District Financing Corporation has acknowledged, a Purchase Contract (the “Purchase Contract”), in connection with the Certificates on [Pricing Date], (the “Sale Date”). The Underwriter has not modified the Purchase Contract since its execution on the Sale Date.

1. ***Sale of the Certificates.*** (a) As of the Sale Date, for each Maturity of the General Rule Securities, the first price at which at least 10% of such Maturity of the General Rule Securities was sold to the Public is the respective price listed in Schedule A.

[(b) Initial Offering Price of the Hold-the-Offering-Price Maturities.

The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Hold-the-Offering-Price Maturities is attached to this certificate as Schedule B.

As set forth in the Purchase Contract, the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, the Underwriter would neither offer nor sell any of the unsold Certificates of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no underwriter (as defined below) has offered or sold unsold Certificates of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Certificates during the Holding Period.]

2. ***Defined Terms.***

Issuer means the El Dorado Irrigation District.

General Rule Maturities means those Maturities of the Certificates listed in Schedule A hereto as the “*General Rule Maturities*.”

[*Hold-the-Offering-Price Maturities* means those Maturities of the Certificates listed in Schedule A hereto as the “*Hold-the-Offering-Price Maturities*.”]

[*Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2024), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

Maturity means Certificates with the same credit and payment terms. Certificates with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate maturities.

Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter. A person is a “*Related Party*” to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Certificates to the Public).

3. ***Disclaimer.***

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder (collectively, the “*Code*”) and we make no warranty regarding the sufficiency of the foregoing representations for purposes of such provisions of the Code. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the

Certificates, and by Stradling Yocca Carlson & Rauth LLP, in connection with rendering its opinion that the portion of each Installment Payment constituting interest with respect to the Certificates is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Certificates. Notwithstanding the foregoing, we remind you that we are not accountants or actuaries, nor are we engaged in the practice of law.

J.P. MORGAN SECURITIES LLC, as
Underwriter

By: _____
Name: _____
Title: _____

Dated: _____, 2024.

To Be Attached:

SCHEDULE A — Sale Prices
SCHEDULE B — Final Pricing Wire

EXHIBIT C

FORM OF SUPPLEMENTAL OPINION OF SPECIAL COUNSEL TO THE DISTRICT

Stradling Yocca Carlson & Rauth LLP, as Special Counsel to the District, proposes to deliver an opinion in substantially the following form in connection with the initial execution and delivery of the Certificates.

[Closing Date]

J.P. Morgan Securities LLC
2029 Century Park East, Fl. 41
Los Angeles, CA 90067

*Re: § _____ El Dorado Irrigation District Revenue Certificates of
 Participation, Series 2024A*

Ladies and Gentlemen:

We have acted as special counsel to the El Dorado Irrigation District (the “District”) in connection with the sale, execution and delivery of the above-referenced certificates of participation (the “Certificates”), evidencing and representing an interest of the registered owner thereof in the right to receive Installment Payments (as that term is defined in the Trust Agreement hereinafter mentioned) under and pursuant to that certain Installment Purchase Agreement (the “Agreement”), dated as of October 1, 2024, by and between the District and the El Dorado Irrigation District Financing Corporation (the “Corporation”), which right to receive such Installment Payments has been assigned by the Corporation to U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), pursuant to the Assignment Agreement, dated as of October 1, 2024, by and between the Trustee and the Corporation. The Certificates have been executed by the Trustee pursuant to the terms of the Trust Agreement, dated as of October 1, 2024 (the “Trust Agreement”), by and among the District, the Corporation and the Trustee. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Contract (as defined below) and if not defined therein, in the Official Statement, dated _____, 2024 relating to the Certificates (the “Official Statement”).

On the date hereof, we delivered to the District our opinion relating to, among other things, the validity of the Trust Agreement and the Installment Purchase Agreement (the “Approving Opinion”). You are authorized to rely upon the Approving Opinion as if addressed to you.

Based upon the foregoing and our review of such other information, documents and matters of law as we considered necessary and in reliance on the foregoing, as appropriate, we are of the opinion that:

(i) The Purchase Contract, dated _____, 2024 (the “Purchase Contract”), by and between the District and J.P. Morgan Securities LLC, as underwriter (the “Underwriter”), and acknowledged by the Corporation with respect to the Certificates has been duly authorized, executed and delivered by the District, and assuming due authorization, execution and delivery by the Underwriter, and acknowledgement by the Corporation, is a valid and binding agreement of the District enforceable in accordance with its terms.

(ii) The statements contained in the Official Statement under the captions “INTRODUCTION,” “THE 2024A CERTIFICATES,” “SECURITY AND SOURCES OF PAYMENT FOR THE 2024A CERTIFICATES,” “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES” and “TAX MATTERS,” APPENDIX B – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS,” and in APPENDIX C – “FORM OF OPINION OF SPECIAL COUNSEL,” insofar as such statements purport to summarize certain provisions of the Certificates and certain provisions of the Installment Purchase Agreement and the Trust Agreement and the opinion of such counsel with respect to certain federal and State income tax matters related to the Certificates (but not including any statistical or financial information contained therein or information concerning The Depository Trust Company or the book-entry only system, as to which no opinion is expressed), are accurate in all material respects.

(iii) The Certificates are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. We call attention to the fact that the rights and obligations under the Purchase Contract, the Trust Agreement, the Installment Purchase Agreement, the Continuing Disclosure Certificate and the Certificates are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California.

This letter is limited to matters governed by the laws of the State of California and federal law, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. Except as expressly set forth in the Approving Opinion, we express no opinion regarding any tax consequences with respect to the Certificates. We have not been engaged, nor have we undertaken, to advise any party or to opine as to any matters not specifically covered herein, including, but not limited to, matters relating to compliance with any securities laws.

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 Agreement, the Certificates or the Trust Agreement, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Agreement or the Trust Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on any assets thereunder,

This opinion letter may be relied upon only by you and may not be circulated, quoted from or relied upon by any other party without our prior written consent. This letter is being furnished to you solely for your benefit in connection with your purchase of the Certificates and is not to be used, circulated, quoted or otherwise referred to for any other purpose without our prior written consent. No attorney-client relationship has existed or exists between our firm and you in connection with the sale, execution and delivery of the Certificates or by virtue of this letter. We note you were represented by separate counsel retained by you in connection with the transaction described in the Official Statement.

Our engagement with respect to the Certificates terminates as of the date hereof, and we have not undertaken any duty, and expressly disclaim any responsibility, to advise you as to events occurring after the date hereof with respect to the Certificates or other matters discussed in the Official Statement. This letter is not intended to, and may not, be relied upon by owners of the Certificates or by any other party to whom it is not addressed other than you.

Respectfully submitted,

EXHIBIT D

FORM OF OPINION OF GENERAL COUNSEL TO THE DISTRICT

General Counsel to the District, proposes to deliver an opinion in substantially the following form in connection with the initial execution and delivery of the Certificates.

[Closing Date]

J.P. Morgan Securities LLC
2029 Century Park East, Fl. 41
Los Angeles, CA 90067

*Re: § _____ El Dorado Irrigation District Revenue Certificates of
 Participation, Series 2024A*

Ladies and Gentlemen:

Acting in my capacity as general counsel to the El Dorado Irrigation District (the “District”), I have examined the Constitution and laws of the State of California and certified copies of the proceedings of the District taken in connection with the execution and delivery of the above-referenced certificates (the “Certificates”). The Certificates are being executed and delivered pursuant to the Resolution No. _____ of the District, adopted on _____, 2024 (the “District Resolution”) and Resolution No. _____ of the El Dorado Irrigation District Financing Corporation (the “Corporation”), adopted on _____, 2024 (the “Corporation Resolution” and together with the District Resolution, the “Resolutions”) and the terms of the Trust Agreement, dated as of October 1, 2024 (the “Trust Agreement”), by and among the District, the Corporation and the Trustee.

In arriving at the opinions expressed below, I have examined and am familiar with the following documents: (i) the Resolutions; (ii) the Purchase Contract, dated _____, 2024, by and between the District and J.P. Morgan Securities LLC, as underwriter (the “Purchase Contract”), (iii) the Continuing Disclosure Certificate of the District, dated _____, 2024, and (v) the Official Statement of the District dated _____, 2024 relating to the Certificates (the “Official Statement”), and other documents as I have deemed relevant and necessary to render the opinions set forth herein and have relied upon, and based our opinions upon, certain representations of fact and certifications made by the District and others. I have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by the undersigned. I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as originals, and the conformity with the original documents of all documents submitted to me as copies.

All terms not defined herein shall have the meaning ascribed to those terms in the Purchase Contract and if not defined in the Purchase Contract, then in the Trust Agreement.

I am a member of the State Bar of California and do not express any opinion as to the laws of any other state or jurisdiction.

Based upon the foregoing examination and review, I am of the opinion that:

(a) The District is an irrigation district duly organized and validly existing under the Constitution and the laws of the State of California;

(b) The District Documents have been duly authorized, executed and delivered by the District and, assuming the validity thereof against the other parties thereto, constitute the valid, legal and binding agreements of the District enforceable against the District in accordance with their respective terms, and the District has full right, power and authority to carry out and consummate all transactions contemplated by the District Documents as of the date of the Official Statement and as of the date of Closing;

(c) Except for (A) the 2016B Installment Purchase Agreement, the 2014 Bonds, the 2016A Bonds, the 2016C Bonds, the 2020 Bonds and the 2020A Installment Purchase Agreement, which are secured by a lien on the Revenues on a parity with the lien of the Installment Payments, and (B) the 2022 Bonds which are secured by a lien on the Revenues subordinate to the lien of the Installment Payments, the District does not and will not at the time of the Closing have outstanding any other indebtedness which indebtedness is secured by a lien on the Revenues superior to, on a parity with, or subordinate to, the lien of the Installment Payments on the Revenues;

(d) The District Resolution approving and authorizing the execution and delivery of the District Documents, and approving the Official Statement, has been duly adopted at a meeting of the governing body of the District, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and the District Resolution is in full force and effect and has not been modified, amended or rescinded;

(e) To the best of my knowledge, the execution and delivery of the District Documents and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not, in any respect which will have a material adverse impact on the transactions contemplated by the District Documents conflict with, or constitute, or with the giving of notice or the passage of time would constitute, on the part of the District a breach of or default under, any material agreement or other instrument to which the District is a party or by which it is bound or any existing law, administrative rule, regulation, order, decree, judgment, license or permit to which the District is subject (excluding, however, any opinion as to compliance with any applicable federal securities laws); or by which the District or any of its property is bound;

(f) The Official Statement has been prepared by, or on behalf of, the District under the supervision of the District's General Manager, and executed on its behalf by an authorized officer of the District;

(g) Based on the information made available in my role as general counsel to the District, and without having undertaken to determine independently or assume any

responsibility for the accuracy, completeness or fairness of the statements contained therein, the information in the Official Statement under the captions “THE EL DORADO IRRIGATION DISTRICT” and “LITIGATION” is true and accurate to the best of my knowledge at and as of the date of the Official Statement and at and as of the date hereof (but not including any statistical or financial information contained therein or information concerning The Depository Trust Company or the book-entry only system, as to which no opinion is expressed);

(h) No additional authorization, approval, consent, waiver or any other action by any person, board or body, public or private, not previously obtained is required as of the date of the Closing for the District to enter into the District Documents or to perform its obligations thereunder;

(i) Based on information made available to me in my role as general counsel to the District, I know of no litigation, proceeding, action, suit, or investigation (or any basis therefor) at law or in equity before or by any court, governmental agency or body, pending or, to my best knowledge, threatened, against the District challenging the creation, organization or existence of the District, or the validity of the District Documents or seeking to restrain or enjoin the payment of the Installment Payments or in any way contesting or affecting the validity of the District Documents or any of the transactions referred to therein or contemplated thereby or contesting the authority of the District to enter into or perform its obligations under any of the District Documents, or under which a determination adverse to the District would have a material adverse effect upon the financial condition or the revenues of the District, or which, in any manner, questions or affects the right or ability of the District to enter into the District Documents or affects in any manner the right or ability of the District to make the Installment Payments; and

(j) Based on the information made available to me in my role as general counsel to the District, and without having undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to my attention which would lead me to believe that the Official Statement as of its date and as of the date hereof (excluding therefrom the financial and statistical data and forecasts and the information with respect to DTC and its book-entry system included therein, as to which no opinion is expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The opinions expressed herein are based upon my analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. This letter is limited to matters governed by the laws of the State of California and federal securities laws, and I assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. I call attention to the fact that the rights and obligations under the District Documents 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.

This letter is being furnished to you solely for your benefit in connection with the execution and delivery of the Certificates, and is not to be used, circulated, quoted or otherwise referred to for any other purpose without my prior written consent. No attorney-client relationship has existed or exists between me and you in connection with the Certificates or by virtue of this letter and I am not assuming any professional responsibility to any other person whomsoever.

Respectfully submitted,

Brian D. Poulsen, Jr., Esq.

EXHIBIT E

FORM OF OPINION OF COUNSEL TO THE CORPORATION

Counsel to the Corporation, proposes to deliver an opinion in substantially the following form in connection with the initial execution and delivery of the Certificates.

[Closing Date]

J.P. Morgan Securities LLC
2029 Century Park East, Fl. 41
Los Angeles, CA 90067

*Re: \$ _____ El Dorado Irrigation District Revenue Certificates of
 Participation, Series 2024A*

Ladies and Gentlemen:

I have acted as Counsel to El Dorado Irrigation District Financing Corporation (the “Corporation”) in connection with the sale and delivery of the above-referenced Certificates of Participation (the “Certificates”), evidencing interest in installment payments to be made by the El Dorado Irrigation District (the “District”) for certain facilities (the “Project”) pursuant to the Installment Purchase Agreement, dated as of October 1, 2024, by and between the District and the Corporation (the “Installment Purchase Agreement”).

The Corporation has assigned substantially all of its rights under the Installment Purchase Agreement to U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), pursuant to the Assignment Agreement, dated as of October 1, 2024, by and between the Corporation and the Trustee (the “Assignment Agreement”). The Certificates have been executed and delivered pursuant to a Trust Agreement, dated as of October 1, 2024 by and among the Corporation, the District and the Trustee (the “Trust Agreement”).

All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Purchase Contract, dated _____, 2024 (the “Purchase Contract”), by and between the District and J.P. Morgan Securities LLC (the “Underwriter”) relating to the Certificates. The Trust Agreement, the Installment Purchase Agreement and the Assignment Agreement are collectively referred to herein as the “Corporation Documents.”

The following opinion is presented to the addressees to satisfy the requirements of Section 8(e)(iv) of the Purchase Contract.

As to questions of fact material to my opinion, I have relied upon the certified proceedings representations and other certifications of the District and the Corporation and various public and corporate officials furnished to me without undertaking to verify the same by independent investigation.

Based upon the foregoing and my review of such other information, documents and matters of law as I considered necessary, I am of the opinion that:

(a) the Corporation is a nonprofit public benefit corporation, duly created and lawfully existing under the laws and Constitution of the State of California;

(b) the Corporation Documents have been authorized or acknowledged, as the case may be, by all necessary corporate action on the part of the Corporation, have been duly executed and delivered by the Corporation and, assuming due authorization, execution and delivery by the other parties thereto, the Corporation Documents constitute legally valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their respective terms;

(c) to the best of my knowledge after due inquiry, execution and delivery or acknowledgment of the Corporation Documents and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with any existing law, regulation, court order or consent decree to which the Corporation is subject or constitute on the part of the Corporation a breach of or default under any agreement or other instrument to which the Corporation is a party or by which it is bound.

The opinions expressed herein are based upon my analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. I call attention to the fact that the rights and obligations under the Corporation Documents and the Certificates 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.

This opinion is furnished by me to you solely for your benefit and I am not assuming any professional responsibility to any other person whomsoever. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose.

Respectfully submitted,

Brian D. Poulsen, Jr., Esq.

EXHIBIT __

**GOOD FAITH ESTIMATES
(2024 CERTIFICATES)**

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 September 12, 2024 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 2024 Certificates is estimated at 4.27%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- (b) The finance charge of the 2024 Certificates, including all fees and charges paid to third parties, is estimated at \$357,563.
- (c) Proceeds of the 2024 Certificates expected to be received by the District for the sale of the Certificates less the finance charge described in (b) above and any capitalized interest or reserves paid from proceeds of the 2024 Certificates (if any), is equal to \$70,000,000.
- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$132,578,773.

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 Issue Debt Securities

El Dorado Irrigation District
September 23, 2024

Previous Board Actions

- ▶ October 23, 2023 Board adopted 2020-2024 CIP
- ▶ December 11, 2023 Board adopted 2023-2024 Mid-Cycle Operating Budget and 2024-2028 Financial Plan
- ▶ April 8, 2024 Board adopted Resolution No. 2024-007, declaring the intent to issue tax-exempt obligations in the reasonably expected maximum principal amount of \$75 million for acquiring certain public facilities and improvements

Summary of Issue—2024A COPs

- ▶ Debt issue needed to fund certain long-lived assets within the 2024-2028 CIP
 - ▶ Sly Park Intertie Improvements
 - ▶ El Dorado Hills Water Treatment Plant Improvements
 - ▶ Various water storage tank and flume replacements
 - ▶ Reservoir 1 Water Treatment Plant Improvements

Staff Analysis—2024A COPs

- ▶ Current considerations
 - ▶ Issue not to exceed \$75 million
 - ▶ Current market conditions indicate bond premium will generate the balance of funds needed to fund \$70 million in projects
 - ▶ Will fund ongoing construction costs of listed projects
 - ▶ Size of issue in bond resolution allows flexibility to sell bonds at par or with a premium

Staff Analysis—2020A COPs

- ▶ Market conditions indicate:

Sources

- ▶ Par amount of bonds \$64.0 million
 - ▶ Premium on bonds 6.5
- \$70.5

Uses

- ▶ Project funds \$70.0 million
 - ▶ Finance charges .357
- \$70.4

Issuance Process

- ▶ April 8, 2024 Board adopted Resolution No. 2024-007, declaring the intent to issue tax-exempt obligations
- ▶ September 23, 2024, Board asked to approve new money issuance
- ▶ October 1, 2024 EID credit call with Standard & Poor's
- ▶ October 4, 2024 EID receives credit rating
- ▶ Week of October 7, 2024 expected pricing
- ▶ Week of October 15, 2024 expected closing

2024A Certificates of Participation

▶ Documents

- ▶ Good Faith Estimate
- ▶ Installment Purchase Agreement
- ▶ Trust Agreement
- ▶ Continuing Disclosure Certificate
- ▶ Preliminary Official Statement
- ▶ Purchase Contract

2024A Certificates of Participation

Good Faith Estimate

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

Installment Purchase Agreement

Agreement between the District and the EID Financing Corporation and confirms existing financial covenants for the benefit of the owners of the 2020A COPs

2024A Certificates of Participation

Trust Agreement

Agreement between Union Bank as Trustee, EID and the Financing Corporation

Continuing Disclosure Certificate

Describes reporting requirements for the duration of the 2020A COPs

Preliminary Official Statement

Describes all relevant details of the participants, the issue, outstanding debt of the District and purpose of the issue

2024A Certificates of Participation

- ▶ Purchase Contract

Agreement between the District and Citigroup will memorialize the principal amounts and interest rate on the 2020A Bonds upon sale and prior to closing

2024A Certificates of Participation

- ▶ District resolution
 - ▶ Approves the bond documents
 - ▶ Authorizes GM to select bond insurer, if economical
 - ▶ Authorizes GM to select bond insurer for reserve fund surety bond, if economical
 - ▶ Appoints U.S. Bank, as trustee
 - ▶ Authorizes execution and delivery of documents

2024A Certificates of Participation

- ▶ Meeting of EID Financing Corporation
 - ▶ EID Financing Corporation is agendized and will meet later today

Remaining Tasks

- ▶ Print preliminary official statement
- ▶ Meet with rating agencies
- ▶ Price Certificates of Participation and Sign Purchase Contract/Pre-Close
- ▶ Print official statement
- ▶ Close bonds and deliver funds

Board Options

- ▶ Option 1: Adopt a resolution authorizing the issuance of not to exceed \$75,000,000 aggregate principal amount of revenue certificates of participation and approving the execution and delivery of certain documents in connection therewith 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

EL DORADO IRRIGATION DISTRICT

SUBJECT: Consider awarding a contract to DXP Enterprises Inc. in the not-to-exceed amount of \$539,289 for the purchase of a raw water pump and authorize funding of \$539,289 for the El Dorado Hills Raw Water Pump Station A-Side Pump Project, Project No. 24049.01.

PREVIOUS BOARD ACTION

February 24, 2020 – Board awarded a contract to Granite Construction Company in the not-to-exceed amount of \$35,556,800 for construction of the Folsom Lake Intake Improvement Project, for a total funding request of \$42,729,828 for the Folsom Lake Intake Improvements Project, Project No. 15024.

October 23, 2023 – Board adopted the 2024-2028 Capital Improvement Plan (CIP), which included the Water Treatment Plant Asset Replacement Program Project.

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

BP 3060 Contracts and Procurement

AR 3061.04 Procurement and Contract Authority

SUMMARY OF ISSUE

The El Dorado Hills Raw Water Pump Station (RWPS) delivers District water supplies available at Folsom Lake to the El Dorado Hills Water Treatment Plant (EDHWTP) and is critical to service reliability for the El Dorado Hills service area. The critical nature of the pump station and minimal redundancy for the new A-Side system make procuring an additional pump a high priority to maintain service and meet customer demand in the event of a failure.

BACKGROUND/DISCUSSION

The new A-Side pumps, installed in 2021 at the RWPS facility, provide reliable pumping capacity of 20 million gallons per day (MGD) utilizing all four new submersible pumps. The A-Side pumps transmit water via single-stage pumping to EDHWTP. The current configuration at the EDHWTP can reliably treat 18.5 MGD from the A-Side pumps but does not leave any redundancy in the A-Side system. Currently, the B-Side system is intended to provide redundancy to meet the peak customer demand in the event of an A-Side pump failure. However, with the forthcoming increase of plant capacity to 24 MGD, the B-Side system will need to be operated continuously to meet the continuously growing customer demand in El Dorado Hills. Such growth removes the B-Side's ability to serve as a redundant backup to the A-Side and avoid service disruptions.

The B-Side two-stage pumping strategy has also been plagued with failures due to the complexity of the in-lake pumps lifting water to the booster pumps, leading to challenges when operating concurrently with the A-Side system to meet a desired flow rate at the EDHWTP. Additionally, much of the 1990s-era B-Side is nearing the end of its useful life and will need to be upgraded or replaced in the coming years. Currently, the funding for this effort is not included in the CIP due to financial limitations. Additionally, the booster pumps for the second lift of the B-Side system often experience wear-ring and mechanical seal issues that often require costly repair kits and extensive staff effort to return the pumps back to service.

The long-term plan for the RWPS includes a phased approach that incrementally expands the site by eventually replacing the existing B-Side pumps with three additional single-stage pumps and associated casings with minimal piping modifications, essentially mirroring the existing A-Side facilities. Procuring an additional A-Side pump now allows the District to have a replacement pump onsite in the event of any existing pump failure while concurrently ensuring this pump will not become a stranded asset that would be placed into regular service with the next phase of facility expansion. It also minimizes downtime of the A-Side system while a damaged pump is being serviced. According to the manufacturer, required lead time is up to 26 weeks, depending on the nature of the necessary repairs. Having this pump onsite to replace any one of the four A-Side pumps that failed will cut this timeline to just a few hours while customer demand is met with tank storage, avoiding an interruption in service.

Procurement

The District reached out to the manufacturer of the new A-Side pumps, Flowserve, and found that DXP Enterprises is the only authorized vendor in the territory. The District is in need of procuring an identical pump to match existing due to the design of pump casing and pump curve required to transmit water directly to EDHWTP. The District worked with DXP Enterprises to quote an identical pump to meet all necessary design requirements.

FUNDING

The 2024-2028 Capital Improvement Plan (CIP) included the Water Treatment Plant Asset Replacement Program (Program) with \$600,000 planned for 2024. Approximately \$225,292 has been spent or encumbered to date for the year under this Program CIP. However, multiple water projects have been unexpectedly delayed, reducing the overall project 2024 expenditures, such as the Sly Park Intertie that was delayed approximately six months and the service line replacement program that was delayed most of the year due to worldwide supply chain issues and lack of adequately trained staff. Therefore, overall water enterprise expenditures are anticipated to remain well under the 75% target. The General Manager authorized initial funding for the project in the amount of \$5,000 for project management. The following is a breakdown of the additional funding requested at this time:

Table 1 - Funding Requirements

Procure A-Side Additional Pump – DXP Enterprises	\$495,840
Tax	\$35,979
Shipping	\$7,500
Total CIP Funding Request	\$539,289

BOARD OPTIONS

Option 1: Award a contract to DXP Enterprises Inc. in the not-to-exceed amount of \$539,289 for the purchase of a raw water pump and authorize funding of \$539,289 for the El Dorado Hills Raw Water Pump Station A-Side Pump Project, Project No. 24049.01.

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

Option 3: Take no action.

RECOMMENDATION

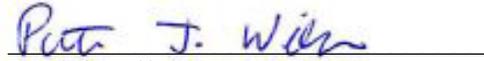
Option 1

ATTACHMENTS

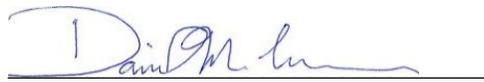
Attachment A: DXP Enterprises A-Side Pump Quote



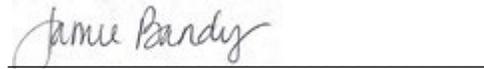
Bill Petterson
Drinking Water Operations and Maintenance Supervisor



Patrick Wilson
Drinking Water Operations Manager



Dan Corcoran
Operations Director



Jamie Bandy
Finance Director



Brian Poulsen
General Counsel



Jim Abercrombie
General Manager



DXP Enterprises, Inc.
THE INDUSTRIAL DISTRIBUTION EXPERTS

Mr. Patrick Wilson

August 23, 2024

El Dorado Irrigation District
2890 Mosquito Road
Placerville, CA 95667

Dear Patrick,

Thank you for the opportunity to quote a spare Flowserve Raw Water Submersible Pump Assembly. We are pleased to offer the following proposal:

- Flowserve 15EHM 6 stage submersible pump assembly
 - o Cast iron, flanged bowl construction
 - o 316L SS impellers
 - o BUNA o-rings
 - o 316 SS collet/key
 - o 316 SS strainer
 - o 316 SS bolting
 - o 416 SS shaft
 - o 416 SS coupling
 - o Amerlock II outside paint
 - o 12" discharge
 - o 600 hp motor, 4610 Volt
 - o Rated for 3010 gpm at 545 feet
 - o Duplicate of serial number SS00804

We are pleased to offer the following pricing. Standard terms between DXP and EID apply.

Item	Price
Flowserve 15EHM Submersible Pump Assembly	\$ 495,840.00
Tax (7.25%)	\$ 35,948.40
Shipping	\$ 7,500.00
Total	\$ 539,288.40

Lead time is 26-28 weeks. Please reach out with any questions and thank you for the opportunity

Scott Davis
Pump Sales Engineer
Mobile: (510) 447-0703
Scott.Davis@dxpe.com

El Dorado Hills Raw Water A-Side Pump Procurement



September 23, 2024



Summary Of Issue

- El Dorado Hills Water Raw Water Pump Station (EDHRWPS)
 - Primary means to access water from Folsom Lake
 - Critical to maintain service reliability in El Dorado Hills
 - Minimal redundancy for growing customer need
- Additional pump would limit down time during scheduled and unscheduled maintenance

Background

- A-Side System – Installed in 2021
 - Reliable capacity of 20 million gallons a day (MGD)
 - Meets current plant capacity of 18.5 MGD
- B-Side System – Installed in 1993
 - Approaching end of service life
 - Intended to be redundant backup
 - Will no longer be a backup when plant capacity is expanded to 24 MGD

Background Continued

- B-Side System
 - Two stage pumping
 - Challenges meeting flow requirements when operating in coordination with A-Side
 - Much more maintenance intensive than A-side

EDHWTP Overview



EDHRWPS 2010



EDHRWPS 2023



A-Side Pumps



B-Side Pumps



B-Side Pumps



EDHRWPS Future

- Replace B-Side pumps with three new A-Side
- Procure additional A-Side pump now
 - Ability to replace pump onsite
 - Accommodate 26 week lead time for repairs without loss of production
 - Pump to be integrated into future A-Side expansion

Project Costs

GM Approved Initial Project Funding	\$5,000
Additional Funding Request:	
Procure A-Side Additional Pump – DXP Enterprises	\$495,840
Tax	\$35,979
Shipping	\$7,500
Total CIP Funding Request	\$539,289

Board Options

- **Option 1:** Approve a contract to DXP Enterprises Inc. in the not-to-exceed amount of \$539,289 for the purchase of a raw water pump and authorize funding of \$539,289 for the El Dorado Hills Raw Water Pump Station A-Side Pump Project, Project No. 24049.01.
- **Option 2:** Take other action as directed by the Board.
- **Option 3:** Take no action.

Recommendation

- **Option 1**

Questions