FINANCE COMMITTEE MEETING

AGENDA

Tuesday, November 17, 2026 • 1:00 p.m.

IN-PERSON

Calaveras County Water District
120 Toma Court
San Andreas, California 95249

REMOTE ACCESS

Join the meeting now
Meeting ID: 236 189 580 456
Passcode: pM2LK7L2
Dial in by phone
+1 323-647-8603,,664105427# United States,
Phone conference ID: 664 105 427#

OUR MISSION

Protect, enhance, and develop Calaveras County's water resources and watersheds to provide safe, reliable, and cost-effective services to our communities.

2021–2026+ Strategic Plan, adopted April 28, 2021 | View strategic plan

COMMITTEE MEMBERS

District 1 - Russ Thomas, Director
District 5 – Jack Garamendi, Director
District 4 – Jeff Robertson, Alternate Director

ACCESSIBILITY | In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, contact the Administration Office at 209-754-3028. Advance notification will enable CCWD to make reasonable arrangements. Documents made available to the Board before or at the meeting, not privileged or otherwise protected from disclosure and related to agenda items, will be available at CCWD for public review.

PUBLIC PARTICIPATION | District Board meetings are open to in-person attendance and are conducted virtually. Remote participants will have an opportunity to address the Board, and comments will be included in the meeting recording. Remote access is offered for convenience. If a technological malfunction occurs, the Board can guarantee receipt of live comments only through in-person attendance and may proceed without remote access, except during a noticed teleconference meeting.

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1 PUBLIC COMMENT

Members of the public may address the Board on any non-agendized item. The public is encouraged to work through staff to place items on the agenda for Board consideration. No action can be taken on matters not listed on the agenda. Comments are limited to three minutes per person.

2	**APPROVAL OF THE MINUTES**
	Approval of the Minutes for the meeting of October 20, 2026
3	**NEW BUSINESS**
3a	Review of Proposed Financing with Columbia Bank for the North Fork Stanislaus River Hydroelectric Project FERC Relicensing *Michael Minkler, General Manager*
3b	Rules and Regulations Article III Draft Amendments *Kelly Zahniser, Director of Administrative Services*
3c*	IT Cyber Security Update *Dylan Smith, Information Systems Administrator*
3d	Monthly Billing Update *Kelly Zahniser, Director of Administrative Services; Monica Remus, Business Services Manager; Kelly Gerkensymeyer, External Affairs Manager; and Dylan Smith, Information Systems Administrator*
4	**REPORTS**
4a*	General Manager's Report *Michael Minkler*
5	**DIRECTOR COMMENTS AND FUTURE AGENDA ITEMS**
6	**NEXT COMMITTEE MEETING**
	Tuesday January 19, 2027 at 1:00 p.m.
7	**ADJOURNMENT**

* No information included in packet.

Minutes

AGENDA
ITEM

Minutes

MINUTES

CALAVERAS COUNTY WATER DISTRICT
FINANCE COMMITTEE MEETING

October 20, 2026

Directors Present:

Jack Garamendi	Director, District 2
Russ Thomas	Director, District 4

Staff Present:

Kelly Zahniser	Director of Administrative Services
Monica Remus	Business Services Manager
Kelly Gerkensmeyer	External Affairs Manager
Stacey Lollar	Human Resources Manager
Dylan Smith	Information Systems Administrator
Kevin Williams	District Engineer
Kylie Muetterties	Accountant II
Jesse Hampton*	Plant Operations Manager
Rebecca Hitchcock*	Executive Assistant and Clerk to the Board
Tiffany Burke*	Administrative Technician Senior
Joshua Fernandez*	Information Systems Technician
Kate Jesus*	Human Resources Technician

Others Present:
Sandee Stallings, BLX Group LLC

*Attended Virtually

DRAFT

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

The meeting called to order at 1:01 p.m., the Pledge of Allegiance was led by Director Thomas.

1. PUBLIC COMMENT:

No public comment.

2. APPROVAL OF MINUTES:

The minutes for the meeting of August 18, 2026, were approved by the Committee.

3. NEW BUSINESS

3a Report on Arbitrage Rebate Analysis for FY 2025-26
(Sandee Stallings, BLX Group LLC)

DISCUSSION: The Board received a presentation from Sandee Stallings, BLX Group LLC discussing arbitrage, rebate compliance, tax-exempt financing, and post-issuance compliance. Ms. Stallings provided an overview of arbitrage requirements and answered questions from the Committee to understand the District's rebate payment obligations.

PUBLIC COMMENT: No public comment.

3b Discussion on District Artificial Intelligence Policy
(Stacey Lollar, Human Resources Manager/ Dylan Smith, Information Systems Administrator)

DISCUSSION: Stacey Lollar, Human Resources Manager, and Dylan Smith, Information Systems Administrator, presented a draft of the District's Artificial Intelligence (AI) Policy and discussed efforts to identify relevant training opportunities for staff.

PUBLIC COMMENT: No public comment.

3c 1st Quarter Financial Reports (July - Sept)
(Kelly Zahniser, Director of Administrative Services)

DISCUSSION: Kelly Zahniser, Director of Administrative Services presented the First Quarter Financial Reports for July through September 2026. Discussion included budget expenditures and the status of certain line items relative to their approved budgets. Staff noted that explanations for budget variances were included in the financial reports. Staff also discussed rising fuel costs and indicated that some budget line items, including fuel, may require increases. Based on first-quarter results and projected expenditures, staff anticipated bringing a budget amendment back to the Board for consideration.

PUBLIC COMMENT: No public comment.

3d Update on Business Process Review & PACE Training
(Monica Remus, Business Services Manager / Dylan Smith, Information Systems Administrator)

DISCUSSION: Monica Remus, Business Services Manager and Dylan Smith, Information Systems Administrator discussed the District's business systems and efforts to evaluate software implementation practices at comparable water districts. The discussion highlighted the importance of evaluating software capabilities, implementation complexity, and operational practices.

PUBLIC COMMENT: No public comment.

3e Update on Monthly Billing Transition Project

(Kelly Zahniser, Director of Administrative Services / Monica Remus, Business Services Manager / Kelly Gerkensymeyer, External Affairs Manager / Dylan Smith, Information Systems Administrator)

DISCUSSION: Staff provided an update on preparations for the transition to monthly billing, with implementation targeted for January. Staff reported that system configurations and testing were underway, with coordinating billing scenarios and schedules to ensure accurate presentation of base charges and water consumption charges. Staff expressed confidence that the project remains on track for the targeted January implementation.

PUBLIC COMMENT: No public comment.

4. DIRECTOR OF ADMINISTRATIVE SERVICES COMMENTS

No comments.

5. GENERAL MANAGER COMMENTS

No comments.

6. DIRECTOR COMMENTS AND FUTURE AGENDA ITEMS

No comments.

7. NEXT COMMITTEE MEETING

Tuesday, November 17, 2026, at 1:00 p.m.

8. ADJOURNMENT

With no further business, the meeting was adjourned at 2:22 p.m.

Respectfully Submitted,

_____

Kylie Muetterties
Accountant II

3a

AGENDA
ITEM

3a

Agenda Item

DATE: November 17, 2026

TO: Finance Committee

FROM: Michael Minkler, General Manager

SUBJECT: Review of Proposed Financing with Columbia Bank for the North Fork Stanislaus River Hydroelectric Project FERC Relicensing

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RECOMMENDED ACTION:

Staff recommend that the Finance Committee receive and review the proposed tax-exempt private placement financing with Columbia Bank in an amount not to exceed $8,550,000 for the North Fork Stanislaus River Hydroelectric Project FERC relicensing, prior to consideration by the Board of Directors at its November 18, 2026, meeting.

BACKGROUND:

The Calaveras County Water District (District) is currently undertaking the relicensing of the North Fork Stanislaus River Hydroelectric Project (North Fork Project). The existing FERC license expires February 1, 2032, and the relicensing process requires significant expenditures over multiple fiscal years.

To provide funding for the relicensing effort while preserving District liquidity, staff, in coordination with the District's municipal advisor, NHA Advisors, evaluated the financing alternatives for the North Fork Project, including a direct bank placement. NHA solicited financing proposals/interest from four financial institutions for a 2026 Hydroelectric Fund Revenue Loan ("2026 Loan"). The District evaluated the responses and Columbia Bank's proposal was identified for further negotiation. Staff and the District's financing team subsequently worked with Columbia Bank to refine the proposed terms scheduled for consideration by the Board of Directors on November 18, 2026.

Following that evaluation, Columbia Bank provided the District with financing terms for the 2026 Loan dated October 1, 2026, for tax-exempt private placement financing in an amount not to exceed $8,550,000, including costs of issuance (see Attachment 2). This information is presented to the Finance Committee for review in advance of the November 18 Board meeting. No recommendation for approval is requested of the Committee.

PROPOSED FINANCING TERMS

The financing would be structured as an Installment Purchase Agreement between the District and Columbia Bank. The District would make periodic installment payments consisting of principal and interest. Repayment would be secured by a pledge and lien on the net revenues of the District's Hydroelectric Fund, on parity with outstanding parity obligations of the Hydroelectric Fund.

The principal terms currently proposed by Columbia Bank are summarized below:

Term	Proposed Financing
Loan Amount	Not to exceed $8,550,000, including costs of issuance
Purpose	FERC relicensing of the North Fork Stanislaus River Hydroelectric Project
Financing Structure	Tax-Exempt private placement/Installment Purchase Agreement
Term	20 Years
Final Maturity	March 1, 2046
Bank-Qualified Rate	5.38% fixed
Non-Bank-Qualified Rate	5.63% fixed
Rate Calculation	30/360
Security	Pledge and lien on net revenues of Hydroelectric fund, on parity with outstanding parity obligations
Bank Loan Fee	Waived, based on maintaining existing customer relationships, including operating deposit accounts.
Principal Payments	Annually on March 1, Beginning March 1, 2028
Interest Payments	Semi-Annually on March 1 and September 1, beginning September 1, 2027
Prepayment	3% initially; 2% in years 3-4; 1% in year 5; no premium thereafter
Annual Penalty-Free Prepayment	Up to 20% of original loan balance, subject to specific conditions

Columbia has agreed to waive its bank loan fees based on the District maintaining its existing customer relationships, including operating deposit accounts. Gilmore & Bell P.C., serving as legal counsel to the Bank, is drafting the legal documents and tax opinions for a fee, paid out at closing.

The proposed financing also provides flexibility for early repayment, including the ability to prepay up to 20% of the original loan balance annually without penalty, subject to the conditions specified in the financing documents.

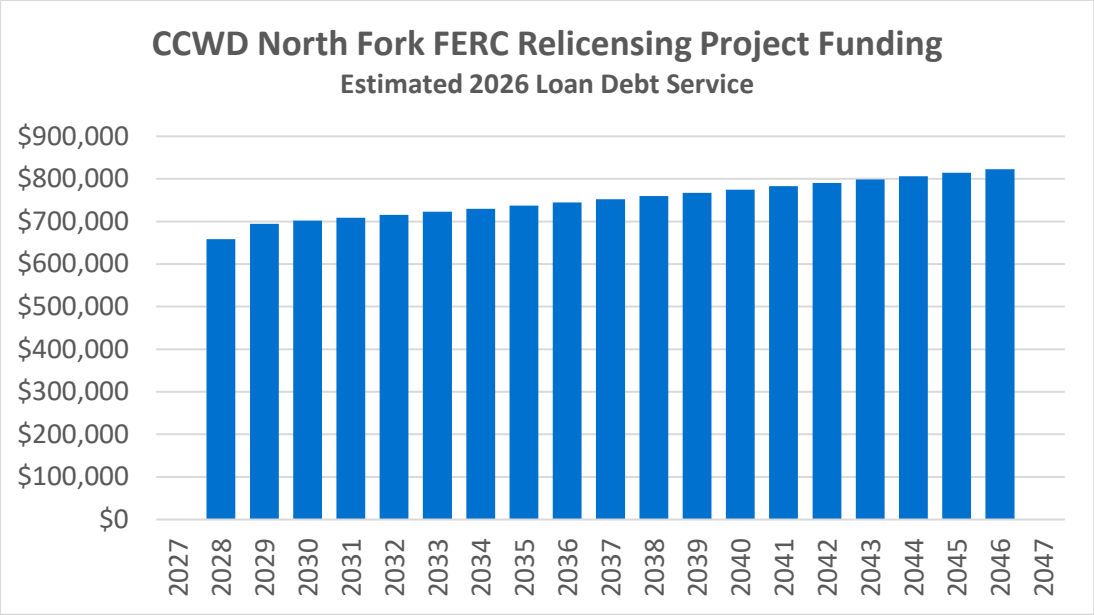
Subject to Board approval, staff, the District's municipal advisor, and legal counsel are coordinating the required financing documents and closing activities with the goal of completing the transaction by November 30.

2026 LOAN STRUCTURE

The 2026 Loan will have a draw option for up to 12 months. During the draw period, the District will draw upon the loan as needed to pay project invoices and interest would accrue based on actual amounts drawn. During the draw period, the District will make one interest-only payment on September 1, 2027. The draw period will end November 2, 2027, at which point the District can either draw the full remaining undrawn balance or can draw a lesser amount, at the District's discretion. The maximum total draw amount permitted for the 2026 Loan is $8,550,000.

Following the end of the draw period, the District will make semi-annual interest payments and annual principal payments, with the first interest payment due September 1, 2027 and every 6 months thereafter. The first principal payment will be due March 1, 2028, and each March 1 thereafter until final maturity of March 1, 2046. The loan balance will be re-amortized at the end of the draw period with a 1% annual debt-service escalation.

The 2026 Loan will accrue interest at 5.38% during the draw period and each period thereafter until final maturity. The graph below illustrates the anticipated structure of the 2026 Loan, with blue bars representing combined principal and interest payments each fiscal year.



The 2026 Loan will be subordinate to the outstanding 2016 and 2021 USDA Loans until such a time as the District can obtain consent from USDA to amend those prior 2016 and 2021 Loan Agreements to exclude Hydroelectric Fund revenues and expenses from the security pledge for those prior agreements. The District has already obtained consent

from its other private (bank) lenders: the 2019 Loan (Columbia), 2022 Water Loan (Webster Bank), and 2022 Wastewater Loan (First Foundation Bank). Timing of USDA consent is uncertain, but once the District has obtained that consent from USDA, the 2026 Loan will have no other loans senior to it.

Finally, the 2026 Loan is structured as a "draw schedule" loan, meaning that for the first 12 months after closing interest will only accrue on the actual amount of the loan drawn to pay for costs. Should the District need funds slower than anticipated, it would not unnecessarily accrue interest cost during the next 12 months. The final draw date for the 2026 Loan is November 2, 2027, at which point the District can elect to draw the full remaining available balance for use in paying costs. The graph on the prior page showing the amortization of the loan assumes full draw of the $8.55M loan amount. Final loan amortization will be determined in November 2027 based on final amounts drawn and, to the extent lesser amounts are drawn, the payments would be less than what is shown above.

DEBT SERVICE COVERAGE AND FINANCIAL COVENANTS

The financing would include financial reporting requirements and covenants. The District would be required to provide Columbia its annual audited financial statements within 270 days following the end of each fiscal year. The District would also make its annual budgets and subsequent amendments available to the Bank within 30 days following adoption.

A key covenant for the 2026 Loan is that the District will take action to the fullest extent permitted under current Hydroelectric Fund agreements to ensure that each year's Net Revenues are equal to at least 110% of each year's debt service.

The proposed financing also limits the District's ability to issue additional parity debt unless debt-service coverage is at least 110% of Maximum Annual Debt Service on the Installment Purchase Agreement and all parity obligations over a five-year forecast period.

COSTS OF ISSUANCE

The District would be responsible for paying the financing costs for the 2026 Loan, including its financial advisor, CDIAC filing fees, Bank Counsel, District legal counsel, and Bond Counsel, as well as a rate lock fee to Columbia Bank. The issuance costs will be paid out of the closing day draw on the 2026 Loan and are estimated to be approximately $104,000. The proposed resolution, if adopted by the Board of Directors, would authorize District staff to pay these costs.

FINANCIAL CONSIDERATIONS:

The proposed financing would provide up to $8.55 million for North Fork FERC relicensing costs, including costs of issuance. The financing would have a 20-year term with final maturity on March 1, 2046.

At the current proposed terms, the fixed interest rate would be 5.38% for the financing. Assuming full draw of the 2026 Loan up to the maximum draw amount, annual payments are anticipated to grow from approximately $658,000 in FYE 2028 to approximately $823,000 by FYE 2046.

Debt service would be payable from and secured by net revenues of the District's Hydroelectric Fund. The term sheet defines net revenues to include net operating revenues, net non-operating revenues and certain investment income, as further defined in the financing documents.

Attachments:
1. *Resolution No. 2026-__*
2. *Columbia Bank Financing Term Sheet – October 1, 2026*
3. *Installment Purchase Agreement*
4. *Project Fund Administration Agreement*

COLUMBIA BANK

Calaveras County Water District
2026 Tax Exempt Hydro Electric Revenue Fund Financing
Revisions dated 10/01/2026

Columbia Bank ("Columbia" or the "Bank") would like to express its interest in underwriting and obtaining credit approval for the following loan (the "Credit Facility") for **Calaveras County Water District** (the "District") on the terms and conditions outlined below.

Preface: Columbia's expression of interest in underwriting and obtaining credit approval for the Credit Facility is for discussion purposes only and does not constitute a commitment from Columbia. Any commitment to lend that we might make is subject to the fulfillment of a number of conditions that include, but are not limited to, our normal credit approval process, an in-depth investigation of the purpose of the loan, the District, and collateral the results of which are deemed satisfactory to Columbia in our sole discretion.

Confidentiality: Except as required by law, neither this expression of interest nor its contents will be disclosed publicly or privately except to those individuals who are your officers, employees or advisors who have a need to know because of being involved in the proposed financing. The foregoing confidentiality provisions shall not apply to the disclosure of the federal income tax structure or treatment of the proposed financing.

Loan Amount:	Not to exceed $8,550,000 (includes costs of issuance)
Loan Purpose:	To provide a tax-exempt private placement financing for the District to obtain a new Federal Energy Regulatory Commission ("FERC") license for the North Fork Stanislaus River Hydroelectric Project.
Structure / Security	• The Credit Facility will be in the form of an installment purchase agreement or similar agreement between the District and the Bank (the "**Hydro Electric Revenue Fund Financing**"), whereby the District will make periodic installment payments to the Bank to pay the principal of, and interest of the loan extended by the Bank to the District. • Pledge of and lien on the net revenues of the District's Hydro Electric fund on a parity with all outstanding parity obligations of the Hydro Electric Fund. Such pledge shall be properly secured under California law, and the Bank shall receive an acceptable opinion of counsel from District counsel relating to such pledge. - Net revenues includes: The sum of total net operating revenues, plus net non-operating revenues as reported on the District's Hydro Electric Fund financial statements, determined in accordance with generally accepted accounting principles ("GAAP"), plus any investment income which is offset against interest expense in accordance with GAAP and as a result is not included in total operating revenues or non-operating revenues. Such pledge shall be properly secured under California Law and be on parity with any outstanding obligations of the Hydro Electric Fund.
Bank Fees	Bank loan fees will be waived based on maintaining existing customer relationships, to include operating deposit accounts.
Term	20-year term with final maturity March 1, 2046

COLUMBIA BANK

Payment Structure Options	• Full Disbursement at closing - Annual principal payments on March 1, beginning March 1, 2028 - Semi-annual interest payments March 1 and September 1, beginning September 1, 2027. • Draw Option - Up to 12-month draw-period with semi-annual interest only payments on March 1 and September 1 beginning on September 1, 2027. - The final amount drawn at the end of the draw-period will set the loan balance that will be amortized over the remaining term with a 1% debt service escalation annually and the repayment schedule will follow full disbursement repayment schedule above.
Interest Rate	• Tax-Exempt Bank Qualified Interest Rate 5.38% (20-year US Treasury) • Tax-Exempt Non-Bank Qualified Rate 5.63% (20-year US Treasury +.25%) • Fixed rate calculated 30/360
Prepayment and Optional Provisions	• Prepayment: During the 20-year period of the Credit Facility, the District shall pay a prepayment premium equal to 3% of the amount prepaid, said penalty declines to 2% in years 3 and 4 and declines to 1% during the fifth (5th) year, no prepayment premium after year 5. For purposes of this provision on the draw option, the first year shall commence after the 12-month draw period. • Optional Prepayment: The District may prepay up to twenty percent (20%) of the original loan balance each year without penalty, provided that each such prepayment be paid in inverse order to maturity of the Installment Purchase Agreement and be requested not later than 30 days before the principal payment date.
Cost of Issuance /Opinions	• *Option 1:* Documents to be prepared by the District's Bond Counsel and reviewed by Columbia Bank's Legal Counsel, Gilmore & Bell, P.C. Legal fees and expenses of Gilmore & Bell, P.C. shall be $10,000 and paid by the District. The District's Bond Counsel shall be required to provide a tax opinion as to the tax-exempt status of the interest portion of installment payments paid by the District to the Bank, and the District's local counsel shall provide an opinion regarding the due authorization and validity of the Installment Purchase Agreement and pledge of net revenues of the District's Hydro Electric Fund. • *Option 2:* Documents to be prepared by Columbia Bank's Legal Counsel, Gilmore & Bell, P.C. Legal fees and expenses of Gillmore & Bell, P.C. shall be $18,000 and paid by the District. Gilmore & Bell will provide a tax opinion as to the tax-exempt status of the interest portion of installment payments paid by the District to the Bank, and the District's local counsel will provide an opinion regarding the due authorization and validity of the Installment Sale Agreement and pledge of net revenues of the Hydro Electric Revenue Fund. All other fees and related costs shall be paid by the District in connection with the issuance, including, but not limited to, fees for the District's financial advisor, the placement agent for the transaction, CDIAC filings fees and legal costs of the District's legal counsel and Bond Counsel.
Financial Reporting and Covenants	• District shall provide to the Bank or post on the District's website its annual audited financial statements, within 270 days of each fiscal year end.

COLUMBIA BANK

- District shall make each of its annual budgets, and all amendments thereto, available on the District's website or send them to the Bank within 30 days after such budget is adopted or amended.
- District cannot issue any additional debt unless the debt service coverage is not less than 1.1x of the maximum annual debt service on the Installment Purchase Agreement and all parity obligations.
- Such additional information that the Bank may reasonably request.

Municipal Disclosure	The District acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the District and Bank and its affiliates, (ii) in connection with such transaction, Bank and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the District, (iii) Bank and its affiliates are relying on the bank exemption in the Municipal Advisor Rules, (iv) Bank and its affiliates and the Bank's counsel have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not Bank, or any affiliate of Bank, has provided other services or advised, or is currently providing other services or advising the District on other matters), (v) Bank and its affiliates have financial and other interests that differ from those of the District, and (vi) the District has consulted with its own financial, legal, accounting and other advisors, as applicable, to the extent it deemed appropriate
Material Change	Any change (whether material or not) in the amount to be financed, weighted average life, or a material change in the financial condition or prospects of the District may constitute a re-pricing event and Bank may, at its option and in its sole discretion, terminate this Term Sheet and/or the Interest Rate may be adjusted.
Proposal Expiration	Unless accepted by the District or extended in writing by the Bank at its sole discretion, these terms shall expire on October 1, 2026. Once accepted, this term sheet shall expire if the financing is not closed by October 30, 2026. - Additional 30-day rate lock will be subject to a fee for 20 Year term of $25,000
District Approval	The execution of this Term Sheet by the undersigned on behalf of the District is solely for the purpose of authorizing the Bank to pursue underwriting and credit approval of the Credit Facility and does not obligate the District to enter into the Credit Facility. Any obligation of the District to enter into the Credit Facility is subject to, and conditioned upon, approval of the financing and the related financing documents by the District's Board of Directors.

Additional Conditions

Periodic financial and collateral reporting by the District, as well as representations and warranties of the District regarding its status and ability to repay and related matters, and covenants and conditions that are appropriate for a Credit Facility of the scope and nature proposed herein will be determined as part of Columbia's normal underwriting and approval process. The Credit Facility will be subject to a default rate equal to the proposed interest rate + 3.0% should an event of default occur and continue.

COLUMBIA BANK

PDFs of all executed and other documents and opinions listed on the Closing Index shall be provided to the Bank no later than 24 hours before the time of the requested wire; provided, that if any documents can only be signed after receipt of the wire those documents shall be provided immediately after receipt of the wire.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, IN THE EVENT ANY MATERIAL CHANGE SHALL OCCUR IN THE FINANCIAL MARKETS AFTER THE DATE OF THIS TERM SHEET, BUT BEFORE CLOSING, INCLUDING BUT NOT LIMITED TO ANY GOVERNMENTAL ACTION OR OTHER EVENT WHICH MATERIALLY ADVERSELY AFFECTS THE EXTENSION OF CREDIT BY BANKS, LEASING COMPANIES OR OTHER LENDING INSTITUTIONS, BANK MAY MODIFY THE INDICATIVE PRICING DESCRIBED ABOVE.

Sincerely,

Anastasia Efstathiu
VP/Relationship Manager
Public Finance- Southern Region

Please pursue underwriting and approval of a commitment for the Credit Facility described.

Borrower: CALAVERAS COUNTY WATER DISTRICT

By:

Printed Name: Michael Mihkler

Title: General Manager

Gilmore & Bell, P.C.
Draft-November 10, 2026

INSTALLMENT PURCHASE AGREEMENT

DATED AS OF NOVEMBER 25, 2026

BY AND BETWEEN

CALAVERAS COUNTY WATER DISTRICT

AND

COLUMBIA BANK

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INSTALLMENT PURCHASE AGREEMENT

This **INSTALLMENT PURCHASE AGREEMENT**, made and entered into and dated as of November 25, 2026, by and between **CALAVERAS COUNTY WATER DISTRICT** (the "District"), a county water district duly organized and validly existing under the laws the State of California, and **COLUMBIA BANK**, an Oregon state-chartered bank (herein called the "Purchaser").

W I T N E S S E T H:

WHEREAS, the District proposes to finance the acquisition of a new Federal Energy Regulatory Commission license for the North Fork Stanislaus River Hydroelectric Project, further described in **Exhibit A** hereto (the "Project");

WHEREAS, the District sells the energy, capacity and other products of the Hydroelectric System (as defined herein) to Northern California Power Agency (the "Power Purchaser") pursuant to the Power Purchase Agreement (as defined herein), and the price payable by the Power Purchaser is established by the terms of the Power Purchase Agreement rather than by rates and charges fixed by the District;

WHEREAS, the District has previously entered into the USDA Loans (as defined herein), which are payable from and secured by a pledge of the net revenues of both the District's water fund and the District's hydroelectric fund (which pledge includes the Net Revenues (as defined herein)), and the obligation of the District to make the Series 2026 Installment Payments (as defined herein), which are payable solely from the Net Revenues, is subject and subordinate to the USDA Loans until the USDA Separation Amendment (as defined herein) becomes effective as provided herein;

WHEREAS, the Purchaser has agreed to assist the District in financing the Project for the District on the terms and conditions set forth in this Installment Purchase Agreement;

WHEREAS, the District and the Purchaser have duly authorized the execution of this Installment Purchase 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.

Advance

The term "Advance" means a disbursement of proceeds from the Purchaser to the District of the Unfunded Portion pursuant to the terms hereof.

Advance Date

The term "Advance Date" means the Business Day that an Advance is made from the Purchaser to the District and shall include the Final Advance Date if there are any Unfunded Portions remaining to be funded.

Advance Period

The term "Advance Period" means the period commencing on the Closing Date and terminating on the Final Advance Date, unless terminated or extended as provided herein.

Advance Request

The term "Advance Request" means the request of the District to the Purchaser requesting that funds be deposited into the Project Fund, a form of which is attached hereto as **Exhibit E**.

Assumed Interest Rate

The term "Assumed Interest Rate" means the amount of interest calculated in accordance with the following provisions (which, for the avoidance of doubt, shall be applicable with respect to any additional Bonds or Contracts issued after the execution of this Installment Purchase Agreement):

(A) Generally. Except as otherwise provided in subparagraph (B) below with respect to Variable Interest Rate Contracts, in subparagraph (C) below with respect to Contracts or Bonds with respect to which a Payment Agreement is in force, and in subparagraph (D) below with respect to Balloon Contracts, interest on any Contracts or Bonds shall be calculated based on the actual amount of interest that is payable under such Contracts or Bonds;

(B) Interest on Variable Interest Rate Contracts. Interest deemed to be payable on any Variable Interest Rate Contract for periods when the actual interest rate can be determined shall be the actual Variable Interest Rates and for periods when the actual interest rate cannot yet be determined shall be calculated on the assumption that the interest rate on such Variable Interest Rate Contract would be equal to (i) the average rate that accrued on such Variable Interest Rate Contract over the preceding 12 months, or (ii) if the Variable Interest Rate Contract has not been accruing interest at a variable rate for 12 months, the average interest rate that accrued on an outstanding Variable Interest Rate Contract of the District for which interest is computed on substantially the same basis during the preceding twelve month period, or (iii) if no such comparable Variable Interest Rate Contract was outstanding during the 12 months preceding the date of calculation, then (x) if the interest on such Variable Interest Rate Contract is excluded from gross income for purposes of Federal income taxation, the average rate of interest for the SIFMA Index over the preceding 12 months, or, if that index is no longer published, a similar index selected by the District, or, if the District fails to select a replacement index, an interest rate equal to 66% of the yield for outstanding United States Treasury bonds having an equivalent maturity as the Variable Interest Rate Contract, or if there are no such Treasury Bonds having equivalent maturities, 66% of the lowest prevailing prime rate of any of the five largest commercial banks in the United States, ranked by assets, and (y) if interest on such Variable Interest Rate Contract is not excluded from gross income for purposes of Federal income taxation, 110% of the yield for outstanding United States Treasury bonds having an equivalent maturity as the Variable Interest Rate Contract, or if there are no such United States Treasury Bonds having equivalent maturities, 110% of the lowest prevailing prime rate of any of the five largest commercial banks in the United States, ranked by assets;

(C) Interest on Obligations with respect to which a Payment Agreement is in Force. Interest deemed to be payable on any Contracts or Bonds with respect to which a Payment Agreement is in force shall be based on the net economic effect on the District expected to be produced by the terms of such Contracts or Bonds and such Payment Agreement, including but not limited to the effects that (i) such Contracts or Bonds would, but for such Payment Agreement, be treated as an obligation bearing interest at a Variable Interest Rate instead shall be treated as an obligation bearing interest at a fixed interest rate, and (ii) such Contracts or Bonds would, but for such Payment Agreement, be treated as an obligation bearing interest at a fixed interest rate instead shall be treated as an obligation bearing interest at a Variable Interest Rate; and accordingly, the amount of interest deemed to be payable on any Contracts or Bonds with respect to which a Payment Agreement is in force shall be an amount equal to the amount of interest that would be payable at the rate or rates stated in such Contracts or Bonds plus the Payment Agreement Payments minus the Payment Agreement Receipts, and for the purpose of calculating as nearly as practicable the Payment Agreement Receipts and the Payment Agreement Payments under such Contracts or Bonds, the following assumptions shall be made:

(1) District Obligated to Pay Net Variable Payments. If a Payment Agreement has been entered into by the District with respect to Contracts or Bonds resulting in the payment of a net variable interest rate with respect to such Contracts or Bonds and Payment Agreement by the District, the interest rate on such Contracts or Bonds for future periods when the actual interest rate cannot yet be determined shall be assumed (but only during the period the Payment Agreement is in effect) to be equal to the sum of (i) the fixed rate or rates stated in such Contracts or Bonds, minus (ii) the fixed rate paid by the Qualified Counterparty to the District, plus (iii) the lesser of (A) the interest rate cap, if any, provided by a Qualified Counterparty with respect to such Payment Agreement (but only during the period that such interest rate cap is in effect) and (B) the applicable Variable Interest Rate calculated in accordance with paragraph (B) above; and

(2) District Obligated to Pay Net Fixed Payments. If a Payment Agreement has been entered into by the District with respect to Contracts or Bonds resulting in the payment of a net fixed interest rate with respect to such Contracts or Bonds and Payment Agreement by the District, the interest on such Contracts or Bonds shall be included in the calculation of Payments (but only during the period the Payment Agreement is in effect) by including for each Fiscal Year or twelve (12) calendar month period an amount equal to the amount of interest payable at the fixed interest rate pursuant to such Payment Agreement;

(D) Interest on Balloon Contracts. If any outstanding Contracts or Bonds constitute Balloon Contracts (and such Contracts or Bonds do not constitute Short-Term Obligations excluded from the calculation of the Payments pursuant to clause (E), below) or if Contracts or Bonds proposed to be incurred would constitute Balloon Contracts (and such Contracts or Bonds would not constitute Short-Term Obligations excluded from the calculation of the Payments pursuant to clause (E), below), then such Balloon Contracts shall be treated as if the principal amount of such Contracts or Bonds were amortized from the date originally incurred in substantially equal installments of principal and interest over a term of 30 years (provided, however, that the full principal amount of such Balloon Contract shall be included in making such calculation if such principal amount is due within 90 days of the date such calculation is being made); and, if interest accrues under such Balloon Contract at other than a fixed rate, the interest rate used for such computation shall be the Assumed Interest Rate.

(E) Exclusion of Certain Short-Term Obligations. If any outstanding Contracts or Bonds constitute Short-Term Obligations or if Contracts or Bonds proposed to be incurred would constitute Short-Term Obligations, and such Short-Term Obligations are or will be payable only out of Revenues of

the Fiscal Year in which such Short-Term Obligations are incurred, then such Short-Term Obligations shall be disregarded and not included in calculating Payments;

(F) Credit for Accrued and Capitalized Interest. If amounts constituting accrued interest or capitalized interest have been deposited with a third party trustee, then the interest payable from such amounts with respect to the Contracts or Bonds shall be disregarded and not included in calculating Parity Payments.

Authorized Officer

The term "Authorized Officer", when used with respect to the District, means the President, Vice President, Treasurer or Secretary of the Board of Directors, General Manager, Director of Administrative Services, or any deputy or officer of the District designated by the General Manager or any other officer of the District which is designated by the Board of Directors of the District as an Authorized Officer. The term "Authorized Officer," when used with respect to the Purchaser, means any officer of the Purchaser authorized by the Purchaser's governing documents to take action on behalf of the Purchaser.

Balloon Contract

The term "Balloon Contract" means Contracts or Bonds, 25% or more of the principal of which matures or is payable on the same date and which is not required by the instrument pursuant to which such Contracts or Bonds were incurred to be amortized by payment or redemption prior to such date (which, for the avoidance of doubt, shall be applicable with respect to any additional Bonds or Contracts issued after the execution of this Installment Purchase Agreement).

Balloon Installment Payments

The term "Balloon Installment Payments" means any Parity Payments designated as such in any Balloon Contract (which, for the avoidance of doubt, shall be applicable with respect to any additional Bonds or Contracts issued after the execution of this Installment Purchase Agreement).

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 on a parity with the Installment Payments and which are secured by a pledge of and lien on the Net Revenues. The term Bonds does not include (i) bonds heretofore or hereafter issued required by law to be paid by the District from taxes or assessments which are not Net Revenues and (ii) the USDA Loans.

Business Day

The term "Business Day" means a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the State of California are closed.

Closing Date

The term "Closing Date" means the date of execution of this Installment Purchase Agreement and on which all conditions precedent set forth in **Section 3.6** have been met.

Contracts

The term "Contracts" means this Installment Purchase Agreement, and any amendments and supplements hereto, and all contracts of the District authorized and executed by the District, the Installment Payments or payments under which are secured by a pledge and lien on the Net Revenues. The term "Contracts" does not include the USDA Loans

Costs of Issuance

The term "Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, execution, sale and delivery of this Installment Purchase Agreement, including but not limited to any costs, fees and charges for preparation and execution of this Installment Purchase Agreement and any other cost, charge or fee incurred in connection with the delivery of this Installment Purchase Agreement.

Date of Operation

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

Date of Separation

The term "Date of Separation" means the date on which the Purchaser has received a fully executed copy of the USDA Separation Amendment, together with a certificate of an Authorized Officer to the effect that the USDA Separation Amendment has been duly authorized, executed and delivered by the District and USDA and is in full force and effect.

Debt Service

The term "Debt Service" means, for any Fiscal Year, the sum of: (1) the interest paid during such Fiscal Year 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 to be paid from the proceeds of sale of any Bonds), (2) that portion of the principal amount of all outstanding serial Bonds paid during such Fiscal Year, (3) that portion of the principal amount of all outstanding term Bonds required to be paid during such Fiscal Year, and (4) that portion of any payments, including the Installment Payments, required to be made at the times provided in the Contracts during such Fiscal Year.

For purposes of this definition, interest on any Contracts or Bonds executed or issued by the District shall be calculated based upon the Assumed Interest Rate (which, for the avoidance of doubt, shall be applicable with respect to any additional Bonds or Contracts issued after the execution of this Installment Purchase Agreement).

Default

The term "Default" means any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

Default Interest Rate

The term "Default Interest Rate" means a rate per annum equal to the then applicable Interest Rate plus 3% but in no event greater than the Maximum Rate.

Defeasance Securities

The term "Defeasance Securities" means:

(a) any direct obligation of, or obligation the timely payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America and backed by its full faith and credit; or

(b) obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any state that:

(i) are not callable at the option of the obligor prior to maturity or for which irrevocable instructions have been given by the obligor to call on the date specified in the instructions, and

(ii) are fully secured as to principal, redemption premium and interest by a fund, consisting of cash or Federal Securities, that:

(A) may be applied only to the payment of principal, redemption premium and interest on the obligations, and

(B) is sufficient, as verified by an independent certified public accountant, to pay the principal, redemption premium and interest on the obligations.

Determination of Taxability

The term "Determination of Taxability" applies solely with respect to the interest component of the Installment Payments only and shall mean and shall be deemed to have occurred on the first to occur of the following:

(a) on the date when the District files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(b) on the date when the Purchaser notifies the District that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the District of such notification from the Purchaser, the District shall deliver to the Purchaser a ruling or determination letter issued to or on behalf of the District by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(c) on the date when the District shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the District, or upon any review or audit of the District or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(d) on the date when the District shall receive notice from the Purchaser that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Purchaser on the interest component of the Installment Payments due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (c) or (d) hereunder unless the District has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally

determined; *provided further, however,* that upon demand from the Purchaser, the District shall promptly reimburse, but solely from payments made by the District, the Purchaser for any payments, including any taxes, interest, penalties or other charges, the Purchaser shall be obligated to make as a result of the Determination of Taxability.

District

The term "District" means Calaveras County Water District, a county water district duly organized and existing under the laws of the State of California.

Event of Default

The term "Event of Default" means an event described in **Section 8.1**.

Event of Taxability

The term *"*Event of Taxability*"* means a (i) change in law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the District, or the failure to take any action by the District, or the making by the District of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of this Installment Purchase Agreement) which has the effect of causing interest paid or payable on the interest component of the Installment Payments to become includable, in whole or in part, in the gross income of the Purchaser for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the interest component of the Installment Payments to become includable, in whole or in part, in the gross income of the Purchaser for federal income tax purposes with respect to the interest component of the Installment Payments.

FERC

The term "FERC" means the Federal Energy Regulatory Commission, or any successor agency thereto.

FERC License

The term "FERC License" means the license issued by FERC for the North Fork Stanislaus River Hydroelectric Project (FERC Project No. 2409), together with any new license (including the new license the acquisition of which constitutes a portion of the Project), annual license, renewal, extension or amendment issued in respect thereof.

Final Advance Date

The term "Final Advance Date" means November 25, 2027, as more specifically described in **Section 4.1**. For the avoidance of doubt, the Final Advance Date is expected to also be the date of conversion to a Term Loan hereunder.

Fiscal Year

The term "Fiscal Year" means the period beginning on July 1 of each year and ending on June 30 of the next succeeding year, or any other twelve-month period selected and designated as the official Fiscal Year of the District.

Gross Revenues

The term "Gross Revenues" means all gross income and revenue received or receivable by the District from the ownership and operation of the Hydroelectric System, calculated in accordance with Generally Accepted Accounting Principles, including, without limitation, (i) all amounts received by the

District under the Power Purchase Agreement or any Replacement Power Contract, including payments for energy, capacity, resource adequacy, ancillary services, renewable energy credits and other environmental attributes, (ii) all amounts received by the District from any other sale of energy, capacity or other products generated by or attributable to the Hydroelectric System, (iii) the proceeds of any business interruption or use and occupancy insurance relating to the Hydroelectric System, (iv) investment earnings on amounts held in the Revenue Fund and the Rate Stabilization Fund, (v) other non-operating revenues, and (vi) all other income and revenue howsoever derived by the District from the Hydroelectric System or arising from the Hydroelectric System; provided, however, that (A) any specific charges levied for the express purpose of reimbursing others for all or a portion of the cost of the acquisition or construction of specific facilities, (B) any deposits subject to refund until such deposits have become the property of the District, and (C) any rates, fees, charges or other revenues of the District's water system, wastewater system or any other enterprise of the District other than the Hydroelectric System, are not Gross Revenues and are not subject to the lien of this Installment Purchase Agreement. Gross Revenues shall include amounts on deposit in the Revenue Fund which have been previously released from the pledge and lien of this Installment Purchase Agreement and amounts transferred from the Rate Stabilization Fund to the Revenue Fund in accordance with Section 5.5.

Hydroelectric System

The term "Hydroelectric System" means the North Fork Stanislaus River Hydroelectric Project and all other facilities, works, properties and structures of the District for the generation, transmission and sale of electric energy, including all dams, reservoirs, diversion works, tunnels, penstocks, powerhouses, generating units, switchyards and transmission and interconnection facilities, the FERC License, the District's water rights to the extent used for the generation of electric energy, the District's rights under the Power Purchase Agreement and any Replacement Power Contract, and all easements, rights-of-way and other works, property or structures necessary or convenient for such facilities, together with all additions, betterments, extensions and improvements to such facilities or any part thereof hereafter acquired or constructed, including the Project (but for purposes of this Installment Purchase Agreement only to the extent the components of the Hydroelectric System may be legally transferred by the District). The Hydroelectric System does not include the District's water system or wastewater system.

Independent Certified Public Accountant

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

Installment Payment Date; Series 2026 Installment Payment Date

The term "Installment Payment Date" means any date on which Installment Payments are scheduled to be paid by the District under and pursuant to any Contract. The term "Series 2026 Installment Payment Date" means each date on which the Installment Payments due hereunder as described further herein and in **Exhibit B** hereto and each Interest Payment Date.

Installment Payments; Series 2026 Installment Payments

The term "Installment Payments" means the payments scheduled to be paid by the District under and pursuant to the Contracts, including the Series 2026 Installment Payments. The term "Series 2026 Installment Payments" means the Installment Payments scheduled to be paid by the District under and pursuant hereto and includes the Interest Rate thereto.

Installment Purchase Agreement

The term "Installment Purchase Agreement" means this Installment Purchase Agreement, dated as of November 25, 2026, by and between the District and the Purchaser, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

Interest Payment Date

The term "Interest Payment Date" means, for Advances, initially, September 1, 2027 (provided, however, that such initial date may occur earlier per the request of the District and agreed to by the Purchaser), and, for the Term Loan, "Interest Payment Date" shall mean each March 1 and September 1 thereafter continuing through and including the Term Loan Maturity Date.

Interest Rate

The term "Interest Rate" means, assuming no Event of Default or Event of Taxability, 5.38%, which shall be applicable for the Series 2026 Installment Payments including each Advance made hereunder.

Law

The term "Law" means the County Water District Law of the State of California, being Sections 30000 et seq. of the Water Code of the State of California, and all laws amendatory thereof or supplemental thereto.

Maintenance and Operation Costs

The term "Maintenance and Operation Costs" means the reasonable and necessary costs and expenses paid by the District for maintaining and operating the Hydroelectric System, including but not limited to the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Hydroelectric System in good repair and working order, and including but not limited to administrative costs of the District attributable to the Hydroelectric System and the financing thereof, the costs of complying with the FERC License (including FERC annual charges and license compliance, environmental mitigation and monitoring costs), costs of scheduling, transmission and interconnection, dam safety fees and other fees payable to regulatory authorities, and any costs payable by the District under the Power Purchase Agreement. "Maintenance and Operation Costs" does not include (a) interest expense relating to unsecured, subordinate or parity obligations of the District, (b) depreciation, replacement and obsolescence charges or reserves therefor, (c) amortization of intangibles or other bookkeeping entries of a similar nature, and (d) capital expenditures.

Maximum Advance Amount

The term "Maximum Advance Amount" means, with respect to this Installment Purchase Agreement and the Advances related thereto, $8,550,000.

Maximum Annual Debt Service

The term "Maximum Annual Debt Service" means the highest Debt Service for any Fiscal Year or twelve (12) calendar month period through the current and subsequent five Fiscal Years of all Contracts and Bonds during which this Installment Purchase Agreement is outstanding; provided, however, for purposes of such calculation, the interest on all Contracts and Bonds shall be computed at the applicable Assumed Interest Rate (which, for the avoidance of doubt, shall be applicable with respect to any additional Bonds or Contracts issued after the execution of this Installment Purchase Agreement).

Maximum Rate

The term "Maximum Rate" means 12% per annum.

Net Proceeds

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

Net Revenues

The term "Net Revenues" means, for any Fiscal Year, the Gross Revenues for such Fiscal Year less the Maintenance and Operation Costs for such Fiscal Year.

Parity Payment Agreement

The term "Parity Payment Agreement" means a Payment Agreement which is a Contract.

Parity Payments

The term "Parity Payments" means all installment payments and other debt service payments scheduled to be paid by the District under all Contracts or Bonds.

Parity Payments Date

The term "Parity Payments Date" means the date on which any Parity Payments are due on Contracts or Bonds.

Payment Agreement

The term "Payment Agreement" means a written agreement for the purpose of managing or reducing the District's exposure to fluctuations in interest rates or for any other interest rate, investment, asset or liability managing purposes, entered into either on a current or forward basis by the District and a Qualified Counterparty as authorized under any applicable laws of the State in connection with, or incidental to, the entering into of any Contracts or Bonds, that provides for an exchange of payments based on interest rates, ceilings or floors on such payments, options on such payments or any combination thereof, or any similar device (which, for the avoidance of doubt, shall be applicable with respect to any additional Bonds or Contracts issued after the execution of this Installment Purchase Agreement).

Payment Agreement Payments

The term "Payment Agreement Payments" means the amounts periodically required to be paid by the District to all Qualified Counterparties under all Payment Agreements.

Payment Agreement Receipts

The term "Payment Agreement Receipts" means the amounts periodically required to be paid by all Qualified Counterparties to the District under all Payment Agreements.

Permitted Investments

The term "Permitted Investments" refers to any investment that is a legal investment under the laws of the State for the moneys proposed to be invested therein or authorized by the District's investment policy in effect at the time of investment.

Policy Costs

The term "Policy Costs" means the annual amount due with respect to any policy or surety bond in lieu of depositing cash in any reserve fund established for any Bonds or Contracts.

Power Purchase Agreement

The term "Power Purchase Agreement" means the Power Purchase Contract, dated March 1, 1985, between the District and the Power Purchaser, providing for the sale of the energy, capacity and other products of the Hydroelectric System to the Power Purchaser, as the same may be amended or supplemented from time to time in accordance with its terms and Section 6.17 hereof.

Power Purchaser

The term "Power Purchaser" means Northern California Power Agency, and its permitted successors and assigns under the Power Purchase Agreement. For the avoidance of doubt, the Power Purchaser is not the "Purchaser" hereunder.

Project

The term "Project" means the acquisition of a new FERC License for the North Fork Stanislaus River Hydroelectric Project, including the related engineering, environmental study, consultation, permitting, regulatory approval and legal costs, and any additions, betterments, extensions and improvements to the Hydroelectric System required as a condition of such FERC License, as generally described in Exhibit A hereto.

Project Fund

The term "Project Fund" means the fund or account established and held by the Purchaser for the benefit of the District into which the net proceeds of this Installment Purchase Agreement shall be deposited and administered pursuant to the Project Fund Agreement.

Project Fund Agreement

The term "Project Fund Agreement" means the Project Fund Administration Agreement, dated as of November 25, 2026, by and among the District, the Purchaser and Columbia Bank, as escrow bank, relating to the administration of the Project Fund.

Purchase Price

The term "Purchase Price" means the principal amount of all Advances, including, but not limited to the Unfunded Portion, plus interest thereon owed by the District to the Purchaser under the terms hereof as provided in **Section 4.1**.

Purchaser

The term "Purchaser" means Columbia Bank, an Oregon state-chartered bank, and its successors and assigns.

Qualified Counterparty

The term "Qualified Counterparty" means a party (other than the District or a party related to the District) who is the other party to a Payment Agreement and (1) (a) who is rated at least equal to the ratings assigned by each of the Rating Agencies to the obligations secured by Parity Payments (without regard to any gradations within a rating category), but in no event less than a rating of "A" from Fitch, "A2" from Moody's and "A" from S&P, (b) whose senior debt obligations are rated at least equal to the ratings assigned by each of the Rating Agencies to the obligations secured by Parity Payments (without regard to any gradations within a rating category), or guaranteed by an entity so rated, (c) whose obligations under the Payment Agreement are guaranteed for the entire term of the Payment Agreement by a bond insurer or other institution which has been assigned a credit rating at least equal to the ratings assigned by each of the Rating Agencies to the obligations secured by Parity Payments (without regard to any gradations within a rating category), but in no event less than a rating of "A" from Fitch, "A2" from Moody's and "A" from S&P, or (d) whose obligations under the Payment Agreement are collateralized in such a manner as to obtain a rating at least equal to the ratings assigned by each of the Rating Agencies to the obligations secured by Parity Payments, and (2) who is otherwise qualified to act as the other party to a Payment Agreement under all applicable laws of the State (which, for the avoidance of doubt, shall be applicable with respect to any additional Bonds or Contracts issued after the execution of this Installment Purchase Agreement).

Rate Stabilization Fund

The term "Rate Stabilization Fund" means the fund by that name established pursuant to Section 5.5 hereof.

Replacement Power Contract

The term "Replacement Power Contract" means any agreement (other than the Power Purchase Agreement) entered into by the District for the sale of all or a portion of the energy, capacity or other products of the Hydroelectric System, including any agreement entered into upon the expiration or termination of the Power Purchase Agreement.

Resolution

The term "Resolution" means Resolution No. 2026-__ adopted by the District on November 18, 2026, approving this Installment Purchase Agreement and all matters related thereto.

Revenue Fund

The term "Revenue Fund" means the Revenue Fund described in **Section 5.2** hereof.

Short-Term Obligations

The term "Short-Term Obligations" means Contracts or Bonds having an original maturity of less than or equal to five years and which are not renewable at the option of the District for a term greater than one year beyond the date of original incurrence (which, for the avoidance of doubt, may be applicable with respect to any additional Bonds or Contracts issued after the execution of this Installment Purchase Agreement).

Subordinate Obligations

The term "Subordinate Obligations" means all contracts, bonds or other obligations of the District which are secured by a pledge of and lien on the Net Revenues subordinate to the pledge of and lien on Net Revenues securing the Contracts or Bonds.

Taxable Date

The term "Taxable Date" means the date on which interest component of the Installment Payments is first includable in gross income of the Purchaser thereof as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

Taxable Period

The term "Taxable Period" has the meaning set forth in **Section 4.3(b)** hereof.

Taxable Rate

The term "Taxable Rate" means, with respect to a Taxable Period, an interest rate of 6.87% per annum.

Termination Payments

The term "Termination Payments" means any payments due and payable to a Qualified Counterparty in connection with the termination of a Payment Agreement.

Term Loan

The term "Term Loan" has the meaning specified in **Section 4.6**.

Term Loan Maturity Date

The "Term Loan Maturity Date" means the maturity date for a Term Loan as determined pursuant to **Section 4.6**.

Unfunded Portion

The term "Unfunded Portion" means an amount equal to the Maximum Advance Amount less the total amount of all Advances funded as of such date.

USDA

The term "USDA" means the United States of America, acting through Rural Utilities Service, United States Department of Agriculture, and any successor agency thereto.

USDA Loan Documents

The term "USDA Loan Documents" means, collectively, the loan resolutions, bonds, promissory notes, letters of conditions, loan agreements and security agreements and all other instruments and agreements evidencing, securing or governing the USDA Loans, as the same may be amended or supplemented from time to time in accordance with Section 5.6 hereof, including by the USDA Separation Amendment.

USDA Loans

The term "USDA Loans" means, collectively, (i) the financing provided by USDA, as original purchaser, through its purchase of the $2,622,000 Calaveras County Water District Public Financing Authority (Calaveras County, California) Series 2016 Water Enterprise Revenue Bonds (Ebbetts Pass Reach 3A Improvement Project), Bank Qualified, dated June 16, 2016, executed and delivered pursuant to the Trust Agreement, dated as of June 1, 2016, by and among the District, the Calaveras County Water District Public Financing Authority (the "Financing Authority") and the Director of Administrative Services of the District, as trust administrator, and evidencing direct, undivided fractional interests in the installment payments payable by the District under the Installment Sale Agreement, dated as of June 1, 2016, by and between the Financing Authority and the District (the "2016 USDA Loan"), and (ii) the financing provided by USDA, as original purchaser, through its purchase of the not to exceed $5,000,000 Calaveras County Water District Public Financing Authority (Calaveras County, California) Series 2021 Water Revenue Certificate of Participation (Automatic Radio Read Meter Project), Bank Qualified, executed and delivered pursuant to the Trust Agreement, dated as of June 1, 2021, by and among the District, the Financing Authority and the Director of Administrative Services of the District, as trust administrator, and evidencing interests in the installment payments payable by the District under the Installment Sale Agreement, dated as of June 1, 2021, by and between the Financing Authority and the District (the "2021 USDA Loan"), the installment payments under each of which are payable from and secured by a first pledge of and lien on the "Net Revenues" of the District's "Water System" (as such terms are defined in the applicable USDA Loan Documents), which include the Net Revenues, as more particularly described in the USDA Loan Documents. Each of the USDA Loans is sometimes referred to herein individually as a "USDA Loan." The USDA Loans are not Bonds or Contracts for purposes of this Installment Purchase Agreement.

USDA Separation Amendment

The term "USDA Separation Amendment" means one or more amendments to each of the USDA Loans and the related USDA Loan Documents, duly authorized, executed and delivered by the District and USDA, in form and substance satisfactory to the Purchaser in its sole discretion, which separate the District's water fund from the District's hydroelectric fund such that the USDA Loans are payable from and secured solely by the net revenues of the District's water fund.

Variable Interest Rate

The term "Variable Interest Rate" means any variable interest rate or rates to be paid under any Contracts or Bonds, the method of computing which variable interest rate shall be as specified in the applicable Contracts or Bonds, which Contracts or Bonds shall also specify either (i) the payment period

or periods or time or manner of determining such period or periods or time for which each value of such variable interest rate shall remain in effect, and (ii) the time or times based upon which any change in such variable interest rate shall become effective, and which variable interest rate may, without limitation, be based on the interest rate on certain bonds or may be based on interest rate, currency, commodity or other indices (which, for the avoidance of doubt, may be applicable with respect to any additional Bonds or Contracts issued after the execution of this Installment Purchase Agreement).

Water Fund Obligations

The term "Water Fund Obligations" means all revenue bonds, notes or evidence of indebtedness of the District authorized, executed, issued and delivered by the District, and all contracts of the District authorized and executed by the District, in each case, the payments with respect thereto are on a parity with the payments to be made under the USDA Loans and which are secured by a pledge and lien on the net revenues of the District's water fund on a parity with the pledge and lien on the net revenues of the District's water fund securing the USDA Loans.

Variable Interest Rate Contracts

The term "Variable Interest Rate Contracts" means, for any period of time, any Contracts or Bonds that bear a Variable Interest Rate during such period, except that no Contracts or Bonds shall be treated as a Variable Interest Rate Contract if the net economic effect of interest rates on any particular Parity Payments or such Contracts or Bonds and interest rates on any other Parity Payments of the same Contracts or Bonds, as set forth in such Contracts or Bonds, or the net economic effect of a Payment Agreement with respect to any particular Parity Payments, in either case is to produce obligations that bear interest at a fixed interest rate, and any Contracts or Bonds with respect to which a Payment Agreement is in force shall be treated as a Variable Interest Rate Contract if the net economic effect of the Payment Agreement is to produce obligations that bear interest at a Variable Interest Rate (which, for the avoidance of doubt, may be applicable with respect to any additional Bonds or Contracts issued after the execution of this Installment Purchase Agreement).

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations by the District. The District makes the following representations:

(a) The District is a county water district organized and existing under the laws of the State of California.

(b) The District has full legal right, power and authority to enter into this Installment Purchase Agreement and carry out its obligations hereunder, to carry out and consummate all other transactions contemplated by this Installment Purchase Agreement, and the District has complied with any relevant provision of California 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 Installment Purchase 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 Installment Purchase Agreement being included in the gross income of the Purchaser or its assigns for purposes of federal or State of California personal income taxation or which results in interest on the

payments due hereunder being included in the gross income of the owners thereof for federal income tax purposes or being subject to State of California personal income taxation.

(e) To the District's knowledge, the District is not in violation of any of the provisions of the laws of the State of California or the United States of America or any of the provisions of any order of any court of the State of California or the United States of America which would materially affect its existence, or its powers referred to in the preceding **Section 2.1(b)**. The execution, delivery and performance by the District of this Installment Purchase Agreement (i) will not violate in any material respect any provision of any applicable law or regulation or of any order, writ, judgment or decree of any court, arbitrator or governmental authority; (ii) will not violate in any material respect any provisions of any document constituting, regulating or otherwise affecting the operations or activities of the District; and (iii) will not in any material respect violate any provision of, constitute a default under, or result in the creation, imposition or foreclosure of any lien, mortgage, pledge, charge, security interest or encumbrance of any kind other than liens created or imposed by this Installment Purchase Agreement, on any of the revenues or other assets of the District which could have a material adverse effect on the assets, financial condition, business or operations of the District, on the District's power to cause this Installment Purchase Agreement to be executed and delivered, or its ability to pay in full in a timely fashion the obligations of the District under this Installment Purchase Agreement.

(f) The District has obtained all consents, permits, licenses and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery and performance by the District of this Installment Purchase Agreement; provided that no representation is made as to any blue sky or securities law of any jurisdiction.

(g) Except as disclosed in writing to the Purchaser, there is no action, suit, inquiry or investigation or proceeding to which the District is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official which is pending or, to the knowledge of the District, overtly threatened in writing against the District in connection with any of the transactions contemplated by this Installment Purchase Agreement or against or affecting the assets of the District, nor, to the knowledge of the District, is there any basis therefor, wherein an unfavorable decision, ruling or finding (a) would adversely affect the validity or enforceability of, or the authority or ability of the District to perform its obligations under, this Installment Purchase Agreement; or (b) would, in the reasonable opinion of the District, have a materially adverse effect on the ability of the District to conduct its business as presently conducted or as proposed or contemplated to be conducted.

(h) This Installment Purchase Agreement constitutes the legal, valid and binding special obligation of the District, enforceable against the District in accordance with its terms (except as such enforceability may be limited by bankruptcy, moratorium or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

(i) To the knowledge of the District, there is not pending any change of law which, if enacted or adopted could be reasonably expected to have a material adverse effect on the assets, financial condition, business or operations of the District, on the District's power to enter into this Installment Purchase Agreement or its ability to pay in full in a timely fashion the obligations of the District under this Installment Purchase Agreement.

(j) The financial statements and other information previously provided to the Purchaser or provided to the Purchaser in the future are or will be complete and accurate and prepared in accordance with generally accepted accounting principles. With respect to the financial statements and other

information previously provided to the Purchaser, there has been no material adverse change in the District's financial condition since such information was provided to the Purchaser.

(k) All information, certificates or statements given to the Purchaser pursuant to this Installment Purchase Agreement are true and complete.

(l) Each representation and warranty of the District contained in this Installment Purchase Agreement is true and correct as of the Closing Date.

(m) The District is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of an Advance will be or have been used to extend credit to others for the purpose of purchasing or carrying any margin stock.

(n) The District is not in default in the performance, observance, or fulfillment of any of the obligations, covenants or conditions contained in any Contract or other ordinance, resolution, agreement or instrument to which it is a party which would have a material adverse effect on the ability of the District to perform its obligations hereunder or which would affect the enforceability hereof or thereof.

(o) The District represents that, under existing law, the District is not entitled to raise the defense of sovereign immunity in connection with any legal proceedings to enforce its contractual obligations under this Installment Purchase Agreement, or the transactions contemplated hereby or thereby including, without limitation, the Installment Payments.

(p) No filings, recordings, registrations or other actions are necessary to create and perfect the pledges provided for herein; all obligations of the District hereunder are secured by the lien and pledge provided for herein; and the liens and pledges provided for herein constitute valid liens subject to no other liens other than the senior pledge of and lien on Net Revenues securing the USDA Loans as provided in Section 5.6 hereof.

(q) The District is not and shall not at any time be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), and any successor thereto, the Secretary of the Treasury or included in any Executive Orders, that prohibits or limits the Purchaser from making any advance or extension of credit to the District or from otherwise conducting business with the District, and shall ensure that the proceeds of this Installment Purchase Agreement shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

(r) The District shall, promptly following a request by the Purchaser, provide all documentation and other information that the Purchaser reasonably requests in order to comply with its ongoing obligations under applicable law or regulation, including, without limitation, "know your customer" and anti-money laundering rules and regulations, including the Patriot Act (USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as amended from time to time, and any successor statute, and shall comply with all applicable Bank Secrecy Act laws and regulations, as amended.

(s) Upon the execution and delivery of this Installment Purchase Agreement, the District will have no other Bonds or Contracts outstanding payable from or secured by the Net Revenues or any portion thereof other than the USDA Loans. The District represents and warrants that it will incur additional Bonds or Contracts only in accordance with the provisions of **Section 5.3** of this Installment Purchase Agreement.

(t) The District has delivered to the Purchaser a true, correct and complete copy of the Power Purchase Agreement, including all amendments thereto. The Power Purchase Agreement is in full force and effect and constitutes the legal, valid and binding obligation of the District. Neither the District nor, to the knowledge of the District, the Power Purchaser is in default under the Power Purchase Agreement, no event has occurred which, with the giving of notice or the passage of time or both, would constitute such a default, and the District has neither given nor received any notice of termination, suspension, force majeure or material dispute thereunder. The scheduled expiration date of the Power Purchase Agreement is January 31, 2032.

(u) The District holds the FERC License, which is in full force and effect, and the District is in material compliance with the terms and conditions thereof. No proceeding is pending, or to the best knowledge of the District, threatened before FERC or any other governmental authority to revoke, suspend, materially modify or deny the renewal of the FERC License, other than the relicensing proceeding described in Exhibit A.

(v) The District has full legal right, power and authority to own and operate the Hydroelectric System and to sell the energy, capacity and other products thereof pursuant to the Power Purchase Agreement.

(w) The District has delivered to the Purchaser true, correct and complete copies of the USDA Loan Documents, including all amendments thereto, and the USDA Loan Documents are in full force and effect. No default or event of default has occurred and is continuing under the USDA Loan Documents, and no event has occurred which, with the giving of notice or the passage of time or both, would constitute such a default or event of default. The execution, delivery and performance by the District of this Installment Purchase Agreement do not require the consent of USDA and do not violate or constitute a default under the USDA Loan Documents.

Section 2.2 Representations and Warranties by the Purchaser. The Purchaser makes the following representations and warranties:

(a) The Purchaser is in good standing under the laws of the jurisdiction in which it was formed, has full legal right, power and authority to enter into this Installment Purchase Agreement and to carry out and consummate all transactions contemplated by this Installment Purchase Agreement.

(b) This Installment Purchase Agreement is a valid, binding and enforceable obligation of the Purchaser.

ARTICLE III

ACQUISITION OF THE PROJECT; CLOSING

Section 3.1 Reserved.

Section 3.2 Sale and Purchase of the Project. In consideration for the Purchaser's assistance in financing the Project, the District agrees to sell, and hereby sells, to the Purchaser, and the Purchaser agrees to purchase and hereby purchases, from the District, 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 Installment Purchase Agreement.

Section 3.3 Purchase and Sale of the Project. In consideration for the Installment Payments as set forth in **Section 4.2**, the Purchaser agrees to sell, and hereby sells, to the District, and the District agrees to purchase, and hereby purchases, from the Purchaser, 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 Installment Purchase Agreement.

Section 3.4 Title. All right, title and interest in the Project shall vest in the District immediately upon execution and delivery of this Installment Purchase Agreement.

Section 3.5 Acquisition and Construction of the Project. The Purchaser hereby agrees to cause the Project to be constructed, acquired and installed by the District as its agent. The District shall enter into contracts and provide for, as agent for the Purchaser, 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 set forth in **Section 4.1** below, and that it will use its best efforts to cause the construction, acquisition and installation of the Project to be completed, except if and to the extent that any force majeure event has occurred, 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, pandemics, fire, explosion, or acts or regulations of governmental authorities. It is hereby expressly understood and agreed that the Purchaser 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.

Section 3.6 Conditions to Closing. The closing on this Installment Purchase Agreement is conditioned upon the satisfaction of each of the following:

(a) This Installment Purchase Agreement, the Project Fund Agreement and all other instruments applicable to the execution thereof are in form and content satisfactory to the Purchaser and have been duly executed and delivered in form and substance satisfactory to the Purchaser and shall have not been modified, amended or rescinded, shall be in full force and effect on and as of the Closing Date and executed original or certified copies of each thereof shall have been delivered to the Purchaser.

(b) The Purchaser has received a certified copy of the Resolution which shall be in form and content satisfactory to the Purchaser and authorize the District to finance the Project, obtain the Advances and the Term Loan and perform all acts contemplated by this Installment Purchase Agreement and the Project Fund Agreement; and a certified copy of all other ordinances, resolutions and proceedings taken by the District, if applicable, authorizing the District to finance the Project, obtain the Advances and the Term Loan and perform all acts contemplated by this Installment Purchase Agreement, and the Project Fund Agreement and the transactions contemplated hereunder and, together with such other certifications as to the specimen signatures of the officers of the District authorized to sign this Installment Purchase Agreement and the Project Fund Agreement to be delivered by the District hereunder and as to other matters of fact as shall reasonably be requested by the Purchaser.

(c) The District has provided a certificate certifying that on the Closing Date each representation and warranty on the part of the District contained in this Installment Purchase Agreement is true and correct and no Event of Default, or event which would, with the passage of time or the giving of notice, constitute an Event of Default, has occurred and is continuing and no default exists under any other Bonds or Contracts, or under any other agreements by and between the District and the Purchaser and certifying as to such other matters as the Purchaser might reasonably request.

(d) The Purchaser shall have received the opinions of (i) Gilmore & Bell, P.C. relating to the tax exempt status of the 2026 Installment Payments and (ii) counsel to the District in form and substance

satisfactory to it, as well as a tax agreement of the District pertaining to the interest component of the 2026 Installment Payments.

(e) All proceedings taken in connection with the transactions contemplated by this Installment Purchase Agreement, and all instruments, authorizations and other documents applicable thereto, are satisfactory to the Purchaser and its counsel.

(f) No law, regulation, ruling or other action of the United States, the State of California or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the District from fulfilling its obligations under this Installment Purchase Agreement or the other Contracts.

(g) Purchaser counsel, Gilmore & Bell, P.C., fees in the amount of ($18,000) and any other Costs of Issuance due and payable in connection with the execution and delivery of this Installment Purchase Agreement shall have been paid by or on behalf of the District upon execution and delivery of this Installment Purchase Agreement;

(h) The Purchaser shall have been provided with the opportunity to review all pertinent financial information regarding the District, agreements, documents, and any other material information relating to the District or the Net Revenues or any other component of the collateral securing the obligations of the District hereunder.

(i) All information provided by the District to the Purchaser is accurate in all material respects based on the knowledge of the District, after due inquiry.

(j) The Purchaser shall have received a certified copy of the Power Purchase Agreement and the FERC License (or the annual license under which the Hydroelectric System is currently operated).

(k) The Purchaser shall have received true, correct and complete copies of the USDA Loan Documents.

(l) The Purchaser shall have received such other certificates, approvals, filings, opinions and documents as shall be reasonably requested by the Purchaser.

(m) All other legal matters pertaining to the execution and delivery of this Installment Purchase Agreement shall be reasonably satisfactory to the Purchaser.

ARTICLE IV

SERIES 2026 INSTALLMENT PAYMENTS

Section 4.1 Advances; Fees.

(a) In order to induce the District to enter into this Installment Purchase Agreement, the Purchaser has agreed to make Advances to the District on Advance Dates in a total amount equal to $8,550,000 which such amount shall be made in separate Advances until the Final Advance Date subject to the terms of this Installment Purchase Agreement and the Project Fund Agreement and which such Advances shall be used by the District to construct the Project. For the avoidance of doubt, the District and the Purchaser acknowledge and agree that Advances may not be repaid or reborrowed and that all Advances shall accrue interest at the Interest Rate.

(b) (i) Subject to the terms and conditions of this Installment Purchase Agreement, including without limitation satisfaction of the conditions set forth in **Section 4.5** hereof and upon delivery to the Purchaser of an Advance Request (other than the initial Advance referenced in **Section 4.1(b)(ii)** hereof which the Purchaser agrees to provide), the Purchaser hereby agrees to make Advances to the District from time to time during the Advance Period in the aggregate principal amount equal to $8,550,000. On the Closing Date, the Purchaser shall make an initial Advance into the Project Fund in the amount of $104,000, which such initial Advance shall be utilized by or on behalf of the District to pay Costs of Issuance. Notwithstanding the foregoing, prior to the Date of Separation, the Purchaser shall have no obligation to make any Advance subsequent to the initial Advance except in accordance with Section 4.5(a)(vii) hereof.

(c) Subject to Section 4.5(a)(vii) hereof, on the Final Advance Date, any remaining Unfunded Portion shall be advanced to the District by a final deposit to be made into the Project Fund by the Purchaser.

(d) With respect to each Advance funded by the Purchaser from time to time hereunder, the Purchaser shall maintain, in accordance with its usual practices, records evidencing the indebtedness resulting from each such Advance and the amounts of interest payable on each Interest Payment Date at the Interest Rate. In any legal action or proceeding in respect of any Advance, the entries made in such records shall be conclusive evidence (absent manifest error) of the existence and amounts of the obligations therein recorded.

(e) Reserved.

(f) The Purchase Price to be paid by the District hereunder to the Purchaser 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 Closing Date to the Term Loan Maturity Date, subject to prepayment as provided in **Article VII**.

(g) The principal amount of the Series 2026 Installment Payments to be made by the District hereunder is set forth in **Exhibit B** hereto.

(h) The interest to accrue on the unpaid balance of the Term Loan is as specified in **Section 4.2** and **Exhibit B** hereto, and shall be paid by the District as and constitute interest paid on the principal amount of the District's obligations hereunder; provided, however, that interest to accrue prior to conversion to the Term Loan shall be determined by the Purchaser on each Interest Payment Date based on the outstanding amount of all Advances as of each Interest Payment Date to and including the Final Advance Date as set forth in an invoice of the Purchaser provided to the District.

(i) All interest on Advances, Default Interest Rate and fees due and payable under this Installment Purchase Agreement shall be calculated on the basis of actual days elapsed over 360-day year. All interest due and owing on the Term Loan shall be calculated on the basis of a 360-day year of twelve 30-day months. Any sum due to the Purchaser and not paid when due and any sum due to the Purchaser upon the occurrence or during the continuance of any Event of Default hereunder shall bear interest at the Default Interest Rate.

(j) If the interest due and payable on any obligation hereunder computed at the applicable rate as provided in **Section 4.2** hereof is in excess of Maximum Rate, the difference between what would have been the interest payable on such amounts had they accrued interest at the rate provided in **Section 4.2** and the Maximum Rate (the "Interest Differential") shall remain an obligation of the District. Notwithstanding anything herein to the contrary, if at any time there is an Interest Differential owed to the

Purchaser, any reduction in interest rate that would result from the application of the Maximum Rate to the Default Interest Rate, shall not reduce the rate of interest below the Maximum Rate until the total amount due has been paid to the Purchaser as if the applicable rate computed as provided in **Section 4.2** hereof had at all times been utilized.

(k) The District will be responsible for the payment of all reasonable fees, including all attorney fees in connection with an amendment or requested consents or waivers of this Installment Purchase Agreement that is at the request of the District.

Section 4.2 Series 2026 Installment Payments.

(a) The District shall, subject to its rights of prepayment provided in **Article VII**, pay the Purchaser the Purchase Price in installment payments of interest and principal in the amounts and on the Series 2026 Installment Payment Dates as set forth in Exhibit B hereto (subject to the provisions of **Section 4.1(h)** hereof with respect to payments of interest on Interest Payment Dates prior to conversion to the Term Loan which shall also be at the Interest Rate). Whenever any Series 2026 Installment Payment to be made hereunder shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, with the same force and effect as if made on the applicable Series 2026 Installment Payment Date. Interest on the Series 2026 Installment Payments shall be calculated based upon a 360-day year of twelve thirty-day months at the Interest Rate.

(b) Each Series 2026 Installment Payment shall be paid to the Purchaser 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 Series 2026 Installment Payments if paid in accordance with their terms.

(c) The obligation of the District to make the Series 2026 Installment Payments is absolute and unconditional, and until such time as all of the Series 2026 Installment Payments 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 Series 2026 Installment Payments required to be made by it under this section when due, whether or not the Hydroelectric System or any part thereof is operating or operable or has been completed, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, or whether or not the Power Purchaser performs its obligations under the Power Purchase Agreement (including by reason of any curtailment, suspension, force majeure, dispute or termination thereunder), 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.

(d) The payment of the Series 2026 Installment Payments due hereunder shall be made by the District to the Purchaser via wire instructions to be provided by the Purchaser to the District from time to time.

(e) The Purchaser will make the Advances under the following additional conditions: (i) this Installment Purchase Agreement is not being registered under the Securities Act of 1933 and is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (ii) the Purchaser will hold this Installment Purchase Agreement as one single instrument; (iii) no CUSIP numbers will be obtained for this Installment Purchase Agreement; (iv) no final official statement has been prepared in connection with the private placement of this Installment Purchase Agreement; (v) this Installment Purchase Agreement will not close through the DTC or any similar repository and will not be

in book entry form; and (vi) this Installment Purchase Agreement is not listed on any stock or other securities exchange; and (vii) this Installment Purchase Agreement will not be rated.

Section 4.3 Increased Payments.

(a) ***Increased Costs of Advances.*** If, after the execution and delivery of this Installment Purchase Agreement and solely related to Advances, (1) the introduction of or any change in or in the interpretation of any law, treaty or regulation, (2) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law) or (3) the introduction of any applicable law, rule, regulation or guideline regarding capital adequacy, or any change therein or any change in the interpretation or administration thereof by any central bank or governmental authority charged with the interpretation or administration thereof or supervision of compliance by the Purchaser with any request, guideline or directive regarding capital adequacy (whether or not having the force of law and after taking into account the Purchaser's policies as to capital adequacy) of any such central bank or other authority, shall either (x) impose, modify or deem applicable any reserve, special deposit, insurance premium, assessment, fee, capital requirement (other than reserves and assessments taken into account in determining the applicable interest rate), tax (other than income tax) or similar requirement against loan agreements entered into by the Purchaser similar to this Installment Purchase Agreement, or (y) impose on the Purchaser any other condition relating, directly or indirectly, to this Installment Purchase Agreement, and the result of any event referred to in (x) or (y) above shall be to (A) increase the cost to the Purchaser of maintaining this Installment Purchase Agreement in any material way, or (B) reduce any amount (or the effective return on capital) received or receivable by the Purchaser hereunder in any material way, then the District shall, upon written notice from the Purchaser (which notice shall set forth the matters described below), pay to the Purchaser, for the account of the Purchaser, from time to time as specified by the Purchaser, such additional amounts as shall be demanded by the Purchaser as sufficient to compensate the Purchaser, for such increased cost or reduction in yield or return, together with interest at the Interest Rate (as in effect from time to time) on amounts required to be paid under this **Section 4.3** from the date of such notice until payment in full thereof, such amounts shall be due and payable within thirty (30) days after the District's receipt of written notice thereof; *provided*, that interest thereon shall not begin to accrue until the thirtieth (30th) day after such demand.

Notwithstanding the foregoing, for purposes of this **Section 4.3(a)**, all requests, rules, guidelines or directives in connection with the Dodd-Frank Act enacted or issued after the effective date of this Agreement shall be deemed to be included in the provisions of this **Section 4.3** and all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar Institution) or any Governmental District with proper jurisdiction over the Purchaser in regard to the foregoing enacted of issued after the date of this Agreement shall be deemed included in the provisions of this **Section 4.3(a)**. The Purchaser shall provide the District with written notice of an increased cost or reduction in yield or return to be incurred by the Purchaser as a result of any event mentioned in this **Section 4.3** promptly following the Purchaser's final determination that such increased cost or reduction in yield or return will be the subject of the certificate described in the next succeeding sentence.

A certificate as to such increased cost or reduction in yield or return incurred by the Purchaser as a result of any event mentioned in this **Section 4.3**, prepared in reasonable detail and in accordance with this **Section 4.3**, submitted by the Purchaser to the District, shall be conclusive, absent manifest error, as to the amount thereof.

Failure or delay on the part of the Purchaser to demand compensation pursuant to this **Section 4.3** shall not constitute a waiver of the Purchaser's right to demand such compensation.

(b) ***Determination of Taxability.*** In the event a Determination of Taxability occurs, to the extent not payable to the Purchaser under the terms of this Installment Purchase Agreement, the District hereby agrees to pay to the Purchaser on demand therefor an amount equal to the difference between (A) the amount of interest that would have been paid to the Purchaser on the interest component of the Installment Payments during the period for which the interest component of the Installment Payments is included in the gross income of the Purchaser if the interest component of the Installment Payments had borne interest at the Taxable Rate, beginning on the Taxable Date (the "Taxable Period"), and (B) the amount of interest actually paid to the Purchaser during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by the Purchaser as a result of the interest component of the Installment Payments becoming included in the gross income of the Purchaser, together with any and all attorneys' fees, court costs, or other out of pocket costs incurred by such the Purchaser in connection therewith.

Subject to the provisions of the paragraph below, the Purchaser shall afford the District the opportunity, at the District's sole cost and expense, to contest (1) the validity of any amendment to the Code which causes the interest component of the Installment Payments to be included in the gross income of the Purchaser or (2) any challenge to the validity of the tax exemption with respect to the interest component of the Installment Payments, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals).

As a condition precedent to the exercise by the District of its right to contest set forth above, the District shall, on demand, immediately reimburse the Purchaser for any and all expenses (including attorneys' fees for services that may be required or desirable, as determined by the Purchaser in its sole discretion) that may be incurred by the Purchaser in connection with any such contest, and shall, on demand, immediately reimburse the Purchaser for any payments, including any taxes, interest, penalties or other charges payable by the Purchaser for failure to include such interest in its gross income.

Section 4.4 Payment in Lawful Money; No Set Off by District. Each Series 2026 Installment Payment shall be paid or caused to be paid by the District on each Series 2026 Installment Payment Date in lawful money of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, to or upon the order of the Purchaser at such place as the Purchaser shall designate, in writing, to the District.

Notwithstanding any dispute between the District and the Purchaser, the District shall make each and all Series 2026 Installment Payments when due and shall not withhold any Series 2026 Installment Payments pending the final resolution of such dispute nor shall the District assert any right of set off or counterclaim against its obligation to make Series 2026 Installment Payments as set forth herein.

The obligation of the District to pay the Series 2026 Installment Payments from the Net Revenues as herein provided is absolute and unconditional, and until such time as all of the Series 2026 Installment Payments have been fully paid, the District will not discontinue or suspend any Series 2026 Installment Payments required to be made by it under this section when due, whether or not the Project 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 such payments shall not be subject to abatement because of any damage to, destruction or condemnation of the Project, 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.

Section 4.5 Procedure for Requesting and Funding Advances.

(a) ***Conditions to Funding Advances***. No Advance shall be requested by the District and the Purchaser shall have no obligation to honor an Advance Request except in accordance with the provisions and upon fulfillment of the terms and conditions set forth in this Installment Purchase Agreement. The funding by the Purchaser of each Advance is conditioned upon the satisfaction of each of the following, each of which shall be satisfactory in all respects to the Purchaser:

(i) *Advance Frequency*. Advance Requests may only be made during the Advance Period and shall be submitted to the Purchaser no more than once in any calendar month, unless permitted more frequently by the Purchaser. Advances shall be made in increments of $1,000.

(ii) *Representations and Warranties True; No Default*. At the time any Advance is to be made and as a result thereof, immediately thereafter, all representations and warranties of the District set forth in **Article IV** are true and correct as though made on the date of such Advance Request and on the date when such Advance is funded and no Event of Default hereunder has occurred and is continuing and no litigation is then pending or threatened concerning the District's authority to pledge the Net Revenues as provided herein, and the District shall deliver an executed certificate of an Authorized Officer to such effect in connection with each Advance in substantially the form attached to the Project Fund Agreement.

(iii) *Obligations Current*. The District shall be current on all of its obligations hereunder.

(iv) *Advance Request*. The Purchaser shall have received an Advance Request from the District signed by the Authorized Officer of the District and containing the calculation of the amount of such Advance requested by the District.

(v) *Amount of Advance*. The amount of the requested Advance, when combined with the sum of all prior Advances made hereunder shall not exceed the Maximum Advance Amount. From each Advance the Purchaser will transfer amounts as specified in each Advance Request.

(vi) *Other Conditions Precedent to Funding Each Advance*. No Advance shall be requested or made after the Final Advance Date.

(vii) *USDA Separation Amendment*. Other than the initial Advance made on the Closing Date pursuant to Section 4.1(b) herein, prior to the Date of Separation, the Purchaser shall have no obligation to honor any Advance Request; provided, however, that the Purchaser may consent in writing to the funding of one or more Advances prior to its receipt of the USDA Separation Amendment; which such consent shall not be withheld so long as the District has certified to the Purchaser that the District is in compliance with the covenants set forth in the Water Fund Obligations and in the financing documents related thereto and in this Installment Purchase Agreement, and has delivered to the Purchaser the District's financial statements for the period ending on such month-end, together with such supporting calculations as are necessary to demonstrate the District's compliance with the covenants set forth in the Water Fund Obligations and in this Installment Purchase Agreement. Any such consent shall apply only to the Advance or Advances specified therein and shall not constitute a waiver of the condition set forth in this Section 4.5(a)(vii) with respect to any other Advance. If the Purchaser has not received the USDA Separation Amendment on or before September 1, 2027, the Purchaser may, by written notice to the District, terminate the Advance Period, whereupon no further Advances shall be

made hereunder, the Advances theretofore funded shall convert to the Term Loan in accordance with Section 4.6 hereof, and Exhibit B hereto shall be revised accordingly.

(b) ***Funding of Advances.*** Provided that the conditions set forth in **Section 4.5(a)** above are satisfied, within three (3) Business Days of receipt by the Purchaser of an Advance Request signed by the Authorized Officer, the Purchaser shall provide the amount of such Advance to the District at such depository as the District may direct.

Section 4.6 Conversion to Term Loan. Provided that (i) no Event of Default shall have occurred and be continuing and (ii) all representations and certifications and agreements herein are then true and correct, the Advances shall convert to a term loan (the "Term Loan") on November 25, 2027 that shall be payable in full on March 1, 2046 (such date, the "Term Loan Maturity Date"). The Term Loan shall be a fully amortizing loan and shall mature on the Term Loan Maturity Date. Principal and interest at the Interest Rate on the Term Loan shall be payable on each Interest Payment Date as set forth on **Exhibit B** hereto.

ARTICLE V

SECURITY

Section 5.1 Pledge of Revenues. All Net Revenues and all amounts on deposit in the Revenue Fund are hereby irrevocably pledged to the payment of the Series 2026 Installment Payments as provided herein, and except as provided in and according to the priorities with respect to the use of Net Revenues established in **Section 5.2** hereof, the Net Revenues shall not be used for any other purpose while any of the Series 2026 Installment Payments remain unpaid; provided that out of the Net Revenues and amounts on deposit in the Revenue Fund there may be apportioned such sums for such purposes as are expressly permitted herein including the parity claim of any Bonds or Contracts and the senior claim of the USDA Loans as provided in Section 5.6 hereof. This pledge, together with the pledge created by all other Contracts and Bonds, shall constitute a lien on and security interest in the Net Revenues and the Revenue Fund and all amounts on deposit therein as permitted herein and subject to the application of Net Revenues in accordance with the terms hereof, and subject and subordinate to the pledge of and lien on Net Revenues securing the USDA Loans as provided in Section 5.6 hereof.

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 Net Revenues shall be received by the District in trust and shall be deposited when and as received in the "Revenue Fund" which fund the District has previously established and hereby agrees and covenants to maintain and to hold separate and apart from other funds so long as any Series 2026 Installment Payments, Contracts or Bonds remain unpaid. Moneys in the Revenue Fund shall be used and applied by the District as provided in this Installment Purchase Agreement and as needed to make payments on other Bonds and Contracts.

The District shall, from the moneys in the Revenue Fund, first, pay all Maintenance and Operation Costs (including amounts reasonably required to be set aside in contingency reserves for Maintenance and Operation Costs, the payment of which is not then immediately required); second, pay all amounts then due and payable on the USDA Loans from Net Revenues in accordance with the USDA Loan Documents; third, pay all Series 2026 Installment Payments and amounts due on other Bonds and Contracts (including as required to replenish any reserve funds established therefor), all on a pro rata basis; and fourth, make all payments due on Subordinate Obligations, as the same shall become due and payable; and fifth, make any deposits to the Rate Stabilization Fund required by Section 5.5. All moneys in the Revenue Fund used to pay the Series 2026 Installment Payments shall be set aside by the District and applied as follows: On or before each Series 2026 Installment Payment Date, the District shall, from

the moneys in the Revenue Fund, transfer to the Purchaser for a sum equal to the Series 2026 Installment Payment coming due on such Series 2026 Installment Payment Date.

On the last day of each month, moneys on deposit in the Revenue Fund not required to make any of the payments required above may be expended by the District at any time for any purpose permitted by law.

Section 5.3 Additional Contracts and Bonds.

(a) The District may at any time execute any Contract or issue any Bonds payable from Net Revenues on a parity with the Series 2026 Installment Payments in accordance herewith; provided that (i) no Events of Default hereunder have occurred and are continuing, (ii) all amounts due and owing under this Installment Purchase Agreement have been paid, and (iii) the Net Revenues, calculated in accordance with generally accepted accounting principles, for the latest Fiscal Year for which audited financial information is available or as shown by the books of the District for any more recent 12-month period selected by the District in its sole discretion, in either case verified by a certificate or opinion of an independent financial consultant acceptable to the Purchaser in its sole discretion, plus, at the option of the District, any or all of the allowances described in the subsequent paragraph, at least equal to 110% of Maximum Annual Debt Service on all Bonds and Contracts then outstanding, including the proposed Bonds or Contracts, calculated as if such contract had been executed or such Bonds had been issued at the beginning of such Fiscal Year or 12-month period.

There may be added to the Net Revenues for purposes of meeting the requirements of subsection (a) above an allowance for Net Revenues arising from either of the following:

(i) Any improvements to the Hydroelectric System to be made with the proceeds of such Bonds or Contracts, and for Net Revenues from any such improvements made with moneys from any source which in either case were not in service during all or any part of the period described in the foregoing subsection, all in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived from such improvements for the first 36-month period in which each improvement is to be in operation, all as shown by the certificate or opinion of a qualified independent engineer acceptable to the Purchaser in its sole discretion.

(ii) Any increase in the price payable for energy, capacity or other products of the Hydroelectric System under the Power Purchase Agreement or any Replacement Power Contract which has become effective or is fixed by its terms before the incurring such Bonds or Contracts but which was not in effect during all or any part of the applicable prior Fiscal Year or 12-month period. The allowance shall equal the total amount by which Net Revenues would have increased had the price increase been in effect for the entire test period, as shown by the certificate or opinion of an independent financial consultant acceptable to the Purchaser in its sole discretion.

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

(b) Notwithstanding the foregoing, the District may issue evidences of indebtedness or incur other obligations for any lawful purpose that are payable from and secured by a lien on Net Revenues, or on money deposited from time to time in the Revenue Fund, subordinate to the Series 2026 Installment Payments, so long as (i) no Events of Default hereunder have occurred and are continuing and all amounts

due and owing under this Installment Purchase Agreement have been paid, (ii) the District has received the prior written consent of the Purchaser, (iii) Net Revenues, calculated in accordance with generally accepted accounting principles for the latest Fiscal Year for which audited financial information is available or as shown by the books of the District for any more recent 12-month period selected by the District in its sole discretion, in either case verified by a certificate or opinion of an independent financial consultant acceptable to the Purchaser in its sole discretion, plus, at the option of the District, any or all of the items described in the prior subsection (a), at least equal to 100% of the amount of annual Debt Service on the Subordinate Obligations after payment of any senior Bonds or Contracts (including this Installment Purchase Agreement); or which would have accrued had such Contract been executed or Bonds been issued at the beginning of such Fiscal Year or twelve month period, and (iv) any remedies to be exercised under any subordinate obligation shall not interfere with the District's receipt of Net Revenues to pay Maintenance and Operations Costs and debt service on any senior Bonds or Contracts (including this Installment Purchase Agreement) and no acceleration of such subordinate obligation may be accelerated without the prior written consent of the Purchaser.

Section 5.4 Investments. All moneys held by the District in the Revenue Fund shall be invested in Permitted Investments and the investment earnings thereon shall remain on deposit in such fund, except as otherwise provided herein.

Section 5.5 Rate Stabilization Fund. The District shall establish and maintain a fund to be known as the "Rate Stabilization Fund," to be held by the District separate and apart from all other funds of the District. The District may deposit into the Rate Stabilization Fund such amounts from moneys remaining in the Revenue Fund after the payments required by clauses first through fourth of Section 5.2, at the District's sole discretion. The District may at any time withdraw amounts from the Rate Stabilization Fund and transfer such amounts to the Revenue Fund, and any amounts so transferred in any Fiscal Year shall constitute Gross Revenues for such Fiscal Year for purposes of Section 6.13 (but not for purposes of Section 5.3). Amounts on deposit in the Rate Stabilization Fund are hereby pledged to the payment of the Series 2026 Installment Payments.

Section 5.6 Subordination to USDA Loans. (a) Notwithstanding anything herein to the contrary, the Series 2026 Installment Payments, and the pledge of and lien on the Net Revenues, the Revenue Fund and the Rate Stabilization Fund securing the Series 2026 Installment Payments as provided herein, are and shall be junior and subordinate in all respects to the pledge of and lien on Net Revenues securing the USDA Loans, as and to the extent provided in the USDA Loan Documents. The District and the Purchaser acknowledge that (i) the USDA Loans are payable from and secured by a pledge of the net revenues of both the District's water fund and the District's hydroelectric fund, which pledge includes the Net Revenues, (ii) the USDA Loan Documents do not currently separate the District's water fund from the District's hydroelectric fund, and (iii) the Series 2026 Installment Payments are payable solely from the Net Revenues of the Hydroelectric System and are not payable from or secured by any revenues of the District's water fund.

(b) Nothing in this Section 5.6 shall, as between the District and the Purchaser, (i) impair the obligation of the District, which is absolute and unconditional, to pay the Series 2026 Installment Payments as and when due in accordance with the terms hereof, or (ii) limit the rights and remedies of the Purchaser under Article VIII hereof.

(c) So long as any Series 2026 Installment Payments remain unpaid, the District (i) shall faithfully observe and perform all of its obligations under the USDA Loan Documents, (ii) shall not, without the prior written consent of the Purchaser, incur any additional indebtedness under the USDA Loan Documents, or increase the principal amount of or the interest rate on either of the USDA Loans, if such indebtedness or increase would be payable from or secured by a pledge of or lien on Net Revenues

senior to the pledge securing the Series 2026 Installment Payments, and (iii) shall not, without the prior written consent of the Purchaser, amend, supplement or modify the USDA Loan Documents in any manner that would materially and adversely affect the Net Revenues or the rights of the Purchaser hereunder; provided that the foregoing shall not restrict the execution and delivery of the USDA Separation Amendment.

(e) The District shall use its best efforts to obtain the USDA Separation Amendment as soon as practicable and in any event on or before September 1, 2027, shall provide drafts of the USDA Separation Amendment to the Purchaser for its review and approval prior to execution, shall provide written monthly status updates to the Purchaser, and shall deliver a fully executed copy of the USDA Separation Amendment to the Purchaser promptly upon its execution and delivery. Prior to the Date of Separation, the District shall furnish to the Purchaser copies of any notice of default or event of default given or received under the USDA Loan Documents within ten (10) Business Days after the giving or receipt thereof. If the District has not delivered a fully executed copy of the USDA Separation Amendment to the Purchaser on or before the Final Advance, then, commencing with the first calendar quarter ending after the Final Advance and continuing until a fully executed copy of the USDA Separation Amendment has been delivered to the Purchaser, the District shall deliver to the Purchaser, within forty-five (45) days after the end of each calendar quarter, the District's financial statements for the period ending on such quarter-end, together with such supporting calculations as are necessary to demonstrate the District's compliance with the covenants set forth in the Water Fund Obligations and in this Installment Purchase Agreement.

(f) From and after the date on which the USDA Separation Amendment becomes effective and the Net Revenues are released from any pledge of and lien securing the USDA Loans, (i) the subordination provided for in this Section 5.6 shall terminate and be of no further force or effect, (ii) the pledge set forth in Section 5.1 hereof shall constitute a first lien on and security interest in the Net Revenues, the Revenue Fund and the Rate Stabilization Fund, subject only to the parity claim of any Bonds or Contracts, and (iii) no further payments shall be made on the USDA Loans from Net Revenues.

(g) The Purchaser agrees, upon the reasonable request of the District or USDA, to execute and deliver such further instruments, in form and substance satisfactory to the Purchaser, as may be reasonably required to evidence the subordination provided for in this Section 5.6.

ARTICLE VI

COVENANTS OF THE DISTRICT

Section 6.1 Compliance with Installment Purchase Agreement and Ancillary Agreements. The District will punctually pay the Series 2026 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 Installment Purchase 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 Purchaser 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 Purchaser or, except as provided in **Sections 3.5** and **6.6** hereof, 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 Installment Purchase Agreement, subject to **Section 10.6** hereunder, each of the agreements, conditions, covenants and terms contained in each such agreement is an essential and material term of the purchase of and payment for the Project by the District pursuant to 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 Net Revenues or the moneys in the Revenue Fund except as provided herein and except for the pledge of and lien on Net Revenues securing the USDA Loans as provided herein. The District may at any time, or from time to time, issue evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of and lien on Net Revenues or 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 materially impairs the operation of the Hydroelectric System or any part thereof necessary to secure adequate Net Revenues for the payment of the Series 2026 Installment Payments, or which would otherwise materially impair the rights of the Purchaser hereunder or the operation of the Hydroelectric System. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Hydroelectric System, or any material or equipment which has become worn out, may be sold if such sale will not materially impair the ability of the District to pay the Series 2026 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 Hydroelectric 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 Hydroelectric System exercising any remedy which would deprive the District of or otherwise interfere with its right to own and operate such portion of the Hydroelectric System.

Section 6.4 Transfer of Hydroelectric System. Except as expressly permitted by Section 6.3, the District shall not sell, lease, assign, convey or otherwise transfer or dispose of all or any portion of the Hydroelectric System, or the operation thereof (including by entering into any agreement pursuant to which a third party would assume operational control of the Hydroelectric System), to any third party without the prior written consent of the Purchaser. Notwithstanding the foregoing, the operation of the Hydroelectric System pursuant to the Power Purchase Agreement or any other agreement in effect on the date hereof and disclosed in writing to the Purchaser shall not require the consent of the Purchaser. The District, with the prior written consent of the Purchaser, may transfer or assign all or any portion of the Hydroelectric System to another entity which agrees to assume the District's obligations hereunder, subject to any required approval of FERC for the transfer of the FERC License.

Section 6.5 Tax Covenants. Notwithstanding any other provision of this Installment Purchase Agreement, absent an opinion of counsel to the District that the exclusion from gross income of the interest component of the Series 2026 Installment Payments 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 on the interest component of the Series 2026 Installment Payments and specifically covenant, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The District will not take or omit to take any action or make any use of the proceeds received under this Installment Purchase Agreement or of any other moneys or property which would cause the interest component of the Series 2026 Installment Payments to be "private activity bonds" within the meaning of Section 141 of the Code.

(b) Arbitrage. The District will make no use of the proceeds received under this Installment Purchase Agreement or of any other amounts or property, regardless of the source, or take or omit to take any action which would cause the interest component of the Series 2026 Installment Payments 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 received under this Installment Purchase Agreement or take or omit to take any action that would cause the interest component of the Series 2026 Installment Payments 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 requirements of Section 149(e) of the Code necessary to preserve the exclusion of the interest component of the Series 2026 Installment Payments pursuant to Section 103(a) of the Code.

(e) Hedge Bonds. The District will make no use of the proceeds received under this Installment Purchase Agreement or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the interest component of the Series 2026 Installment Payments 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 the interest component of the Series 2026 Installment Payments for federal income tax purposes.

(f) Miscellaneous. The District will take no action, or omit to take any action, inconsistent with the expectations stated in any Tax Certificate executed in connection with this Installment Purchase Agreements 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 Bonds or executing and delivering Contracts, 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 Hydroelectric System. The District will maintain and preserve the Hydroelectric System in good repair and working order at all times and will operate the Hydroelectric System in an efficient and economical manner and in compliance with the FERC License and all applicable dam safety requirements and will pay all Maintenance and Operation Costs as they become due and payable, except if and to the extent that any force majeure event has occurred, 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, pandemics, fire, explosion, or acts or regulations of governmental authorities.

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 Net Revenues or the funds or accounts created hereunder or on any funds in the hands of the District pledged to pay the Series 2026 Installment Payments prior or superior to the lien of the Series 2026 Installment Payments or which might impair the security of the Series 2026 Installment Payments.

Section 6.8 Compliance with Contracts. 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 contracts for the use of the Hydroelectric System and all other contracts affecting or involving the Hydroelectric 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 Hydroelectric System with responsible insurers in such amounts and against such risks (including accident to or destruction of the Hydroelectric System) as are usually covered in connection with hydroelectric generating facilities similar to the Hydroelectric System so long as such insurance is available from reputable insurance companies.

In the event of any damage to or destruction of the Hydroelectric 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 Hydroelectric System. The District shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible, and 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 Hydroelectric System shall be free and clear of all claims and liens.

If such Net Proceeds exceed the costs of such reconstruction, repair or replacement of the damaged or destroyed portion of the Hydroelectric System, and/or the cost of the construction of additions, betterments, extensions or improvements to the Hydroelectric System, then the excess Net Proceeds may, at the option of the District, be applied in part to the prepayment of Series 2026 Installment Payments as provided in **Section 7.1** 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 Series 2026 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 Series 2026 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 Hydroelectric System, and/or not to construct other additions, betterments, extensions or improvements to the Hydroelectric System; and thereupon such Net Proceeds shall be applied to the prepayment of Series 2026 Installment Payments as provided in **Section 7.1** and to the retirement of such Bonds and Contracts.

(b) The District will procure and maintain such other insurance which it shall deem advisable or necessary to protect its interests and the interests of the Purchaser, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with hydroelectric generating facilities similar to the Hydroelectric 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 hydroelectric generating facilities similar to the Hydroelectric System and is, in the opinion of an accredited actuary, actuarially sound.

All policies of insurance required to be maintained herein shall provide that the Purchaser shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

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 Purchaser at reasonable hours and under reasonable conditions.

(b) The District will prepare and file with the Purchaser annually within two hundred seventy (270) days after the close of each Fiscal Year (commencing with the Fiscal Year ending June 30, 2026) financial statements of the District for the preceding Fiscal Year prepared in accordance with generally accepted accounting principles, together with the report of an Independent Certified Public Accountant thereon and a certificate of an Authorized Officer certifying that no Event of Default has occurred or is continuing under this Installment Purchase Agreement.

(c) During each Fiscal Year, the District will deliver a copy of its operating budget to the Purchaser annually within thirty (30) days after the adoption thereof.

(d) The District shall provide the Purchaser with notice of any material litigation no later than ten (10) Business Days after being served therewith. For purposes of this provision, "material litigation" shall mean any litigation that would expose the District to uninsured costs in excess of $10,000,000.

(e) The District shall provide written notice of any Default hereunder as soon as the District becomes aware of any Default hereunder.

(f) The District shall furnish at the Purchaser's request such additional information that the Purchaser may from time to time reasonably request.

(g) The District shall furnish notice to the Purchaser of any occurrence of an event described in subsection (b)(5)(i)(C) of the Securities and Exchange District Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, §240.15c2-12), as applicable, in a timely manner but not in excess of ten Business Days after the occurrence of such event.

(h) The District shall furnish to the Purchaser, together with the financial statements delivered pursuant to subsection (b) above, a report setting forth for the preceding Fiscal Year the energy generated by the Hydroelectric System, the amounts invoiced and received under the Power Purchase Agreement and any Replacement Power Contract, and a calculation of the debt service coverage required by Section 6.13(a).

(i) The District shall furnish to the Purchaser, within ten (10) Business Days after the receipt or delivery thereof, copies of (i) any notice of default, termination, suspension, force majeure, curtailment or material dispute given or received under the Power Purchase Agreement, (ii) any amendment, supplement or waiver of the Power Purchase Agreement, and (iii) any order, notice or correspondence from FERC or any other governmental authority asserting a material violation of, or proposing to revoke, suspend, materially modify or deny the renewal of, the FERC License.

Section 6.11 Protection of Security and Rights of the Purchaser. The District will preserve and protect the security hereof and the rights of the Purchaser to the Series 2026 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 Hydroelectric System, or any part thereof or upon the Net Revenues when the same shall become due; provided the District shall not be required to pay such taxes, assessments and other governmental charges so long as the validity or application thereof shall be contested in good faith. The District will duly observe and conform with all valid regulations and requirements of any governmental authority (including FERC, the California Independent System Operator, the North American Electric Reliability Corporation and the California Division of Safety of Dams) relative to the operation of the Hydroelectric 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 Debt Service Coverage; Enforcement of Power Purchase Agreement.

(a) The District shall diligently enforce its rights under the Power Purchase Agreement and shall, to the fullest extent permitted by the Power Purchase Agreement and applicable law, exercise any right it may have thereunder to adjust, reopen or renegotiate the price payable for the energy, capacity or other products of the Hydroelectric System, so as to produce in each Fiscal Year Net Revenues at least equal to 110% of Debt Service on all Bonds and Contracts for such Fiscal Year. Upon the expiration or termination of the Power Purchase Agreement, the District shall sell the energy, capacity and other products of the Hydroelectric System pursuant to one or more Replacement Power Contracts or otherwise at prices which are reasonably expected to produce Net Revenues in each Fiscal Year at least equal to 110% of Debt Service on all Bonds and Contracts for such Fiscal Year.

(b) If Net Revenues for any Fiscal Year are less than the amount required by subsection (a) above, the District shall, within sixty (60) days after the delivery of the financial statements for such Fiscal Year pursuant to Section 6.10(b), retain an independent consultant experienced in the operation and financing of hydroelectric facilities and acceptable to the Purchaser to prepare a report with recommendations as to the actions the District may take, to the extent permitted by the Power Purchase Agreement and applicable law, to increase Net Revenues or reduce Maintenance and Operation Costs so as to comply with subsection (a) above. The District shall deliver a copy of such report to the Purchaser and shall implement such recommendations to the extent permitted by the Power Purchase Agreement and applicable law and to the extent the Board of Directors of the District determines such recommendations to be feasible. So long as the District has complied with the foregoing, the failure of Net Revenues to meet the requirement of subsection (a) above shall not constitute a Default or an Event of Default hereunder unless such failure continues for three consecutive Fiscal Years.

Section 6.14 Billing and Collection under Power Purchase Agreement. The District will timely invoice the Power Purchaser (and any purchaser under a Replacement Power Contract) for all amounts payable under the Power Purchase Agreement (or such Replacement Power Contract), will diligently pursue the collection of all such amounts when due, and will promptly take all actions reasonably available to it under the Power Purchase Agreement and applicable law to enforce the payment of any amount not paid when due.

Section 6.15 Eminent Domain Proceeds. If all or any part of the Hydroelectric 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 Purchaser 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 Hydroelectric 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 Purchaser, 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 held by the District and shall be treated as Net Revenues.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied by the District in part to the prepayment of Series 2026 Installment Payments as provided in **Section 7.1** 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 components of the Series 2026 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 Purchaser of the rights and benefits provided to it herein.

Section 6.17 Enforcement of Contracts. So long as amounts are owed by the District hereunder, the District (a) will perform and observe all of its obligations under the Power Purchase Agreement and any Replacement Power Contract, (b) will not amend the Power Purchase Agreement or enter into any Replacement Power Contract which would reduce the Gross Revenues of the District by 50% or more without prior written consent of the Purchaser, and (c) will not, without the prior written consent of the Purchaser, (i) terminate or rescind, or consent to the termination or rescission of, the Power Purchase Agreement (other than upon its scheduled expiration), (ii) consent to any assignment of the Power Purchase Agreement by the Power Purchaser to an entity having a lesser credit standing than the Power Purchaser, or (iii) amend, supplement or waive any provision of the Power Purchase Agreement if such amendment, supplement or waiver would reduce the amounts payable to the District thereunder, shorten the term thereof or otherwise materially and adversely affect the Net Revenues or the rights of the Purchaser hereunder. Not later than eighteen (18) months prior to the scheduled expiration of the Power Purchase Agreement, the District shall commence efforts to extend the Power Purchase Agreement or to enter into one or more Replacement Power Contracts effective upon such expiration, and shall keep the Purchaser reasonably informed of such efforts.

Section 6.18 Superior Additional Obligations. Except for the USDA Loans as provided in Section 5.6 hereof, the District shall not execute any Contracts or issue any Bonds, as the case may be, that are payable from or secured by a pledge of and lien on Net Revenues and any money in the Revenue Fund superior to the pledge securing the Series 2026 Installment Payments.

Section 6.19 FERC License. The District will maintain the FERC License in full force and effect, will comply in all material respects with the terms and conditions thereof and with all orders and regulations of FERC applicable to the Hydroelectric System, and will diligently pursue the issuance of the new FERC License the acquisition of which constitutes a portion of the Project. The District will not surrender or voluntarily permit the termination of the FERC License, or apply for any amendment thereof that would materially and adversely affect the Net Revenues, without the prior written consent of the Purchaser.

ARTICLE VII

PREPAYMENT OF SERIES 2026 INSTALLMENT PAYMENTS

Section 7.1 Prepayment.

(a) After the Final Advance Date, the District may or shall, as the case may be, prepay from the Net Proceeds as provided in **Sections 6.9** and **6.15** herein on any date all or any part of the unpaid Series 2026 Installment Payments at a prepayment price equal to the sum of the principal components prepaid plus accrued interest thereon to the date of prepayment.

(b) The District may not make any prepayments of the principal of any Advance. The Term Loan may be prepaid at the District's option in whole but not in part (except as provided in the second paragraph following the schedule below) on any date by paying a prepayment price equal to the aggregate principal components of the Installment Payments to be prepaid, together with the interest component of the Installment Payment required to be paid on or accrued to such date, plus the following premium:

Prepayment Date	Premium
Years 1 and 2 after Final Advance Date	3%
Years 3 and 4 after Final Advance Date	2%
Year5 after Final Advance Date	1%
After Year 5 from the Final Advance Date	0%

Provided however, that if the Final Advance Date occurs prior to November 25, 2027, then the above schedule shall be adjusted from the date that the Term Loan commences based upon the same schedule as set forth above.

Additionally, the District may, at its option, prepay the Term Loan in part, without premium, on any March 1 on which a principal component of the Series 2026 Installment Payments is due, in an aggregate principal amount in any calendar year not to exceed twenty percent (20%) of the original principal amount of the Term Loan as of the Final Advance Date, at a prepayment price equal to the principal components of the Installment Payments to be prepaid, together with the interest component of the Installment Payment required to be paid on or accrued to such date; provided, that (i) the District shall give written notice of such prepayment to the Purchaser not later than thirty (30) days prior to the date of such prepayment, and (ii) the principal components so prepaid shall be applied in inverse order of maturity.

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 Purchaser) and the requirements of Article IX hereof shall have been satisfied.

Section 7.2 Method of Prepayment. Before making any prepayment pursuant to **Section 7.1**, the District shall, within five (5) days following the event permitting the exercise of such right to prepay or creating such obligation to prepay or a determination to prepay, give written notice to the Purchaser describing such event and specifying the date on which the prepayment will be paid, which date shall be not less than thirty (30) days from the date such notice is given unless a shorter period is agreed to by the Purchaser in its sole discretion.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE PURCHASER

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 –

(1) if default shall be made by the District in the due and punctual payment of any Series 2026 Installment Payment or any Contract or Bond or either of the USDA Loans when and as the same shall become due and payable;

(2) if default shall be made by the District in the performance of any of the agreements or covenants required herein or in connection with any Contract or Bond to be performed by it, and such default shall have continued for a period of sixty (60) days after the District shall have been given notice in writing of such default by the Purchaser; provided, however, that if in the reasonable opinion of the District the default stated in the notice can be corrected, but not within such sixty (60) day period and corrective action is instituted by the District within such sixty (60) day period and diligently pursued in good faith until the default is corrected such default shall not be an Event of Default hereunder;

(3) 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;

(4) if payment of the principal of any Contract or Bond or either of the USDA Loans is accelerated in accordance with its terms;

(5) any representation or warranty made by the District in this Installment Purchase Agreement or any certificate, instrument, financial or other statement furnished by the District to the Purchaser, proves to have been untrue or incomplete in any material respect when made or deemed made;

(6) any judgment or court order for the payment of money exceeding any applicable insurance coverage by more than $1,000,000 in the aggregate is rendered against the District and the District fails to vacate, bond, stay, contest, pay or satisfy such judgment or court order for 60 days;

(7) this Installment Purchase Agreement, or any material provision hereof or thereof, (i) ceases to be valid and binding on the District or is declared null and void, or the validity or enforceability thereof is contested by the District (unless being contested by the District in good faith), or the District

denies it has any or further liability under any such document to which it is a party; or (ii) any pledge or security interest created fails to be fully enforceable with the priority required hereunder or thereunder;

(8) moratorium, suspension or termination of the existence of the District;

(9) the Power Purchase Agreement is terminated prior to its scheduled expiration date for any reason and the District has not, within one hundred eighty (180) days thereafter, entered into one or more Replacement Power Contracts or otherwise demonstrated to the reasonable satisfaction of the Purchaser that Net Revenues will be sufficient to satisfy the requirements of Section 6.13(a); or

(10) the FERC License is revoked, terminated or surrendered, or the District otherwise ceases to hold a license issued by FERC authorizing the operation of the Hydroelectric System, and such license is not reinstated or replaced within ninety (90) days;

then and in each and every such case upon the occurrence of such Event of Default specified in clauses (3) and (4) above, without any notice to the District, the Purchaser shall declare the entire principal amount of the unpaid Series 2026 Installment Payments and the accrued interest thereon shall be immediately due and payable, and for any other Event of Default the Purchaser may, by notice in writing to the District, declare the entire principal amount of the unpaid Series 2026 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 section, however, is subject to the condition that if at any time after the entire principal amount of the unpaid Series 2026 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 Purchaser a sum sufficient to pay the unpaid principal amount of the Series 2026 Installment Payments or the unpaid payment of any other Contract or Bond referred to in clause (1) 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 Series 2026 Installment Payments or such Contract or Bond if paid in accordance with their terms, and the reasonable expenses of the District, and any and all other defaults known to the District (other than in the payment of the entire principal amount of the unpaid Series 2026 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 Purchaser, if appropriate, or provision deemed by the Purchaser, if appropriate, to be adequate shall have been made therefor, then and in every such case the Purchaser, if appropriate 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 Net Revenues thereafter received by the District shall be applied in the following order –

First, to the payment of the fees, costs and expenses of the Purchaser, if any, in carrying out the provisions of this article, including reasonable compensation to its accountants and counsel and any outstanding fees and expenses of the Purchaser;

Second, to the payment of the Maintenance and Operation Costs;

Third, to the payment of all amounts then due and payable on the USDA Loans from Net Revenues in accordance with the USDA Loan Documents;

Fourth, to the payment of the entire principal amount of the unpaid Series 2026 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 Series 2026 Installment Payments and such Bonds and Contracts if paid in accordance with their respective terms; and

Fifth, to the payment of Subordinate Obligations in accordance with the terms thereof.

Section 8.3 Other Remedies of the Purchaser. The Purchaser 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 his or her 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 Purchaser; 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 Purchaser shall have no security interest in or mortgage on the Project, the Hydroelectric System or other assets of the District and no default hereunder shall result in the loss of the Project, the Hydroelectric 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 Series 2026 Installment Payments to the Purchaser 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 Purchaser, 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 Purchaser 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 Purchaser 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 Purchaser under 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 Purchaser.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Purchaser, the District and the Purchaser 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 Purchaser 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 under law.

ARTICLE IX

DISCHARGE OF OBLIGATIONS

Section 9.1 Discharge of Obligations. When all or any portion of the Series 2026 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 Series 2026 Installment Payments shall have been filed with the Purchaser; and

(a) there shall have been deposited with the Purchaser, or a third party escrow agent, at or prior to the Series 2026 Installment Payment Dates or date (or dates) specified for prepayment, in trust for the benefit of the Purchaser or its assigns and irrevocably appropriated and set aside to the payment of all or any portion of the Series 2026 Installment Payments, sufficient moneys and non-callable Defeasance Securities, 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 Series 2026 Installment Payments to their respective Series 2026 Installment Payment Dates or prepayment date or dates as the case may be; and

(b) provision shall have been made for paying all fees and expenses of the Purchaser, then and in that event, the right, title and interest of the Purchaser herein and the obligations of the District hereunder shall, with respect to all or such portion of the Series 2026 Installment Payments as have been so provided for, thereupon cease, terminate, become void and be completely discharged and satisfied (except for the rights of the Purchaser and the obligation of the District to have such Defeasance Securities applied to the payment of such Series 2026 Installment Payments).

In such event, upon request of the District the Purchaser 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 Purchaser or third party escrow agent shall pay over to the District all such Defeasance Securities held by it pursuant hereto other than such Defeasance Securities, as are required for the payment or prepayment of the Series 2026 Installment Payments, which Defeasance Securities shall continue to be held by the Purchaser or third party escrow agent in trust for the payment of the Series 2026 Installment Payments and shall be applied to the payment of the Series 2026 Installment Payments of the District.

ARTICLE X

MISCELLANEOUS

Section 10.1 Liability of District Limited. Notwithstanding anything contained herein, the District shall not be required to advance any moneys derived from any source of income other than the Net Revenues and the other funds provided herein for the payment of the Series 2026 Installment Payments 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.

The obligation of the District to make the Series 2026 Installment Payments is a special obligation of the District payable solely from such Net Revenues and other funds described herein, and does not constitute a debt of the District or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

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 Purchaser and its assigns 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 Purchaser 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 Purchaser 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 Purchaser, and all agreements and covenants required hereby to be performed by or on behalf of the District or the Purchaser 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 Series 2026 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 the Installment Purchase 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 Purchaser 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 Purchaser hereby declare that they would have executed the Installment Purchase 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. The Purchaser's right, title and interest in and to this Installment Purchase Agreement may be participated, assigned and reassigned by the Purchaser in whole to one or more subsequent assignees, subject to the limitations set forth in this **Section 10.7**, without the necessity of obtaining the consent of the District. The Purchaser acknowledges and agrees that the restrictions and limitations on transfer as provided in this **Section 10.7** shall apply to the first and subsequent assignees of any of the Purchaser's right, title and interest in, to and under this Installment Purchase Agreement.

Any such assignment, transfer or conveyance (i) shall be made only to an investor which is a "qualified institutional buyer" as defined in Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended, or an "Accredited Investor" as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act of 1933 Act and is purchasing its right, title and interest in and to this Installment Purchase Agreement for its own account with no present intention to resell its interest herein; (ii) shall not require the District to make Series 2026 Installment Payments to,

send notices to or otherwise deal with respect to matters arising under this Installment Purchase Agreement with any entity other than the Purchaser or a subsequent entity to whom the Purchaser transfers its right, title and interest hereunder in whole, and (iii) shall be made only to investors who complete and submit to the District a letter substantially in the form attached hereto as **Exhibit D**. Neither the Purchaser nor any subsequent assignee may participate out any interest held by it in this Installment Purchase Agreement and the Series 2026 Installment Payments other than in accordance with this **Section 10.7**. No assignment, transfer or conveyance of any of the Purchaser's rights hereunder shall be effective until such subsequent assignee has executed a letter substantially in the form attached hereto as **Exhibit D** and delivered it to the District.

No assignment, transfer or conveyance of the Purchaser's rights in whole permitted by this **Section 10.7** shall be effective until the District shall have received a written notice of assignment that discloses the name and address of such assignee.

Section 10.8 Net Contract. The Installment Purchase Agreement shall be deemed and construed to be a net contract, and the District shall pay absolutely net during the term hereof the Series 2026 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: Calaveras County Water District
120 Toma Court
San Andreas, CA 95249
Attention: General Manager

If to the Purchaser: Columbia Bank
2998 Douglas Blvd., Ste. 145
Roseville, CA 95661
Attention: Anastasia Efstathiu

Section 10.11 Effective Date. The Installment Purchase 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 Purchaser).

Section 10.12 Execution in Counterparts. The Installment Purchase 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 Purchaser; Costs and Expenses.

(a) The District hereby agrees to indemnify and hold harmless the Purchaser and its affiliates, officers, directors, employees, representatives and agents to the fullest extent permitted by law, from and against all claims, advances, damages and losses, including legal fees and expenses with counsel selected by the District and approved by the Purchaser, arising out of or in connection with the acceptance

or the performance of its duties hereunder; provided that no indemnification will be made for willful misconduct, gross negligence or breach of an obligation hereunder by the Purchaser as determined in a final, non-appealable judgment thereof.

(b) The District shall pay within 30 days after demand: (a) if an Event of Default shall have occurred, all costs and expenses of the Purchaser in connection with the enforcement (whether by means of legal proceedings or otherwise) of any of its rights under this Installment Purchase Agreement, the Project Fund Agreement and such other documents which may be delivered in connection therewith; and (b) the reasonable fees and out of pocket expenses for counsel to the Purchaser in connection with the execution and delivery of this this Installment Purchase Agreement, the Project Fund Agreement and such other documents; (c) the reasonable fees and out of pocket expenses for counsel or other reasonably required consultants to the Purchaser in connection with advising the Purchaser as to its rights and responsibilities under this Installment Purchase Agreement, the Project Fund Agreement and such other documents or in connection with responding to requests from the District for approvals, consents, amendments and waivers; and (d) any amounts payable and any fee set forth in the definition of "Default Interest Rate" herein. In addition, if at any time any governmental authority shall require revenue or other documentary stamps or any other tax in connection with the execution or delivery of this Installment Purchase Agreement, the Project Fund Agreement and such other documents then, if the District lawfully may pay for such stamps, taxes or fees, the District shall pay, when due and payable, for all such stamps, taxes and fees, including interest and penalties thereon, and the District agrees to save the Purchaser harmless from and against any and all liabilities with respect to or resulting from any delay or omission of the District in paying, such stamps, taxes and fees hereunder.

Section 10.14 Amendments Permitted. This Installment Purchase Agreement and the rights and obligations of the Purchaser and the District may be modified or amended at any time by an amendment hereto which shall become binding upon execution by the District and the Purchaser.

Section 10.15 Arm's Length Transaction. The transaction described in this Installment Purchase Agreement is an arm's length, commercial transaction between the District and the Purchaser in which: (i) the Purchaser is acting solely as a principal (i.e., as a lender) and for its own interest; (ii) the Purchaser is not acting as a municipal advisor or financial advisor to the District; (iii) the Purchaser has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the District with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Purchaser or any of its affiliates has provided other services or is currently providing other services to the District on other matters); (iv) the only obligations the Purchaser has to the District with respect to this transaction are set forth in this Installment Purchase Agreement,; and (v) the Purchaser is not recommending that the District take an action with respect to the transaction described in this Installment Purchase Agreement, and before taking any action with respect to the this transaction, the District should discuss the information contained herein with the District's own legal, accounting, tax, financial and other advisors, as the District deems appropriate.

Section 10.16 Judicial Reference.

(a) TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF THE PARTIES IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS INSTALLMENT PURCHASE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE PARTIES FURTHER AGREES THAT, IN THE EVENT OF LITIGATION, IT WILL NOT PERSONALLY OR THROUGH ITS AGENTS OR ATTORNEYS SEEK TO REPUDIATE THE VALIDITY OF THIS **SECTION 10.16**, AND IT ACKNOWLEDGES THAT IT FREELY AND VOLUNTARILY ENTERED

INTO THIS INSTALLMENT PURCHASE AGREEMENT TO WAIVE TRIAL BY JURY IN ORDER TO INDUCE THE PURCHASER TO FINANCE THE PROJECT.

(b) To the extent that the foregoing waiver of a jury trial is unenforceable under applicable State of California law, the parties agree to refer, for a complete and final adjudication, any and all issues of fact or law involved in any litigation or proceeding (including all discovery and law and motion matters, pretrial motions, trial matter and post-trial motions up to and including final judgment), brought to resolve any dispute (whether based on contract, tort or otherwise) between a party or the parties arising out of, in connection with or otherwise related or incidental to this Installment Purchase Agreement to a judicial referee who shall be appointed under a general reference pursuant to California Code of Civil Procedure Section 638, which referee's decision will stand as the decision of the court. Such judgment will be entered on the referee's statement of judgment in the same manner as if the action had been tried by the court. The parties shall select a single neutral referee, who shall be a retired state or federal judge with at least five years of judicial experience in civil matters; provided that in the event the parties cannot agree upon a referee, the referee will be appointed by the court. The fees and expense of any referee that is appointed in such action or proceeding shall be shared equally among the parties, but the prevailing party shall have the right to recover the portion paid by it from the non-prevailing party at the conclusion of the case. In the event of any challenge to the legality or enforceability of this **Section 10.16**, the prevailing Party shall be entitled to recover the costs and expenses from the non-prevailing Party, including reasonable attorneys' fees, incurred by it in connection therewith.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have executed this Installment Purchase Agreement by their officers thereunto duly authorized as of the day and year first written above.

CALAVERAS COUNTY WATER DISTRICT

By: _____
Name: _____
Title: _____

COLUMBIA BANK

By: _____
Name: _____
Title: _____

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Project is the acquisition of a new Federal Energy Regulatory Commission (FERC) License for the North Fork Stanislaus River Hydroelectric Project No. 2409.

EXHIBIT B

PURCHASE PRICE

1. The principal amount of the installment payments to be made by the District hereunder is not to exceed $8,550,000.

2. The installment payments of principal and interest are payable in the amounts and on the Series 2026 Installment Payment Dates are estimated as follows:

Date	Principal	Coupon	Interest	Total Principal and Interest	Fiscal Year Payment	Annual Escalation Rate*
11/25/2026	-	-	-	-	-	-
09/01/2027 *	-	-	352,659.00	352,659.00		
03/01/2028 *	75,806.00	5.380%	229,995.00	305,801.00	658,460.00	
09/01/2028	-	-	227,955.82	227,955.82		
03/01/2029	238,816.00	5.380%	227,955.82	466,771.82	694,727.64	5.51%
09/01/2029	-	-	221,531.67	221,531.67		
03/01/2030	258,611.00	5.380%	221,531.67	480,142.67	701,674.34	1.00%
09/01/2030	-	-	214,575.03	214,575.03		
03/01/2031	279,541.00	5.380%	214,575.03	494,116.03	708,691.06	1.00%
09/01/2031	-	-	207,055.38	207,055.38		
03/01/2032	301,668.00	5.380%	207,055.38	508,723.38	715,778.76	1.00%
09/01/2032	-	-	198,940.51	198,940.51		
03/01/2033	325,055.00	5.380%	198,940.51	523,995.51	722,936.02	1.00%
09/01/2033	-	-	190,196.53	190,196.53		
03/01/2034	349,772.00	5.380%	190,196.53	539,968.53	730,165.06	1.00%
09/01/2034	-	-	180,787.66	180,787.66		
03/01/2035	375,891.00	5.380%	180,787.66	556,678.66	737,466.32	1.00%
09/01/2035	-	-	170,676.20	170,676.20		
03/01/2036	403,489.00	5.380%	170,676.20	574,165.20	744,841.40	1.00%
09/01/2036	-	-	159,822.34	159,822.34		
03/01/2037	432,646.00	5.380%	159,822.34	592,468.34	752,290.68	1.00%
09/01/2037	-	-	148,184.16	148,184.16		
03/01/2038	463,445.00	5.380%	148,184.16	611,629.16	759,813.32	1.00%
09/01/2038	-	-	135,717.49	135,717.49		
03/01/2039	495,976.00	5.380%	135,717.49	631,693.49	767,410.98	1.00%
09/01/2039	-	-	122,375.74	122,375.74		
03/01/2040	530,333.00	5.380%	122,375.74	652,708.74	775,084.48	1.00%
09/01/2040	-	-	108,109.78	108,109.78		
03/01/2041	566,617.00	5.380%	108,109.78	674,726.78	782,836.56	1.00%
09/01/2041	-	-	92,867.78	92,867.78		
03/01/2042	604,929.00	5.380%	92,867.78	697,796.78	790,664.56	1.00%
09/01/2042	-	-	76,595.19	76,595.19		
03/01/2043	645,381.00	5.380%	76,595.19	721,976.19	798,571.38	1.00%
09/01/2043	-	-	59,234.45	59,234.45		
03/01/2044	688,088.00	5.380%	59,234.45	747,322.45	806,556.90	1.00%
09/01/2044	-	-	40,724.88	40,724.88		
03/01/2045	733,173.00	5.380%	40,724.88	773,897.88	814,622.76	1.00%
09/01/2045	-	-	21,002.52	21,002.52		
03/01/2046	780,763.00	5.380%	21,002.52	801,765.52	822,768.04	1.00%
Total	**$8,550,000.00**	**-**	**$5,735,360.26**	**$14,285,360.26**	**$14,285,360.26**	

**Note: This Amortization schedule reflects an assumption of full draw at closing of the loan. Final amortization schedule will be deterimined at the end of the Draw Period (November 2027) based on actual amounts drawn. First principal payment on 3/1/2028 will likely be adjusted up since interest accrual is likely less than the amount estimated for 9/1/2027. Final amortization schedule determined in November 2027 will still target a 1% annual fiscal year escalation off the first fiscal year's payment.*

EXHIBIT C

RESERVED

EXHIBIT D

FORM OF LENDER LETTER

[Date]

Calaveras County Water District
San Andreas, California

Re: Calaveras County Water District 2026 Installment Purchase Agreement (the "Agreement")

Ladies and Gentlemen:

The undersigned, a duly authorized officer of Columbia Bank (the "Purchaser") hereby represents and warrants to you as follows:

1. The Purchaser has agreed to loan to the Calaveras County Water District (the "District") on the date hereof not to exceed $8,550,000 for the purpose of financing the Project pursuant to the Agreement (the Loan").

2. The Purchaser has sufficient knowledge and experience in business and financial matters in general to enable the Purchaser to evaluate the Loan, the credit of the District, the collateral and the terms and that the Purchaser will make its own independent credit analysis and decision to enter into the Loan based on independent examination and evaluation of the transaction and the information deemed appropriate, without reliance on any other parties.

3. The Purchaser acknowledges that no CUSIP or credit rating has been sought or obtained with respect to the Loan.

4. The Purchaser acknowledges that no official statement has been prepared for the Loan, and that the District will not be entering into a continuing disclosure agreement to provide ongoing disclosure respecting the Loan; provided, however, that the District has agreed to provide certain ongoing information to the Purchaser. The Purchaser has been offered copies of or full access to all documents relating to the Loan and all records, reports, financial statements and other information concerning the District and pertinent to the source of payment for the Series 2026 Installment Payments as deemed material by the Purchaser, which the Purchaser as a commercial Purchaser, has requested and to which the Purchaser, as a commercial Purchaser, would attach significance in making its lending decision. The Purchaser acknowledges that the Installment Purchase Agreement is exempt from the requirements of Rule 15c2-12 of the Securities and Exchange District and that the District has not undertaken to provide continuing disclosure with respect to the Installment Purchase Agreement but that the District has agree to provide certain other ongoing financial information and notice of certain events pursuant to the Installment Purchase Agreement.

5. The Purchaser confirms that it is able to bear the economic risk of its entering into the Loan, including a complete loss thereunder.

6. The Purchaser states that it is a "Qualified Institutional Buyer" as defined in Rule 144A under the Securities Act of 1933, as amended (the "1933 Act"), or an "Accredited Investor" as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the 1933 Act; and it is capable of evaluating risks and market value independently, both in general and with regard to transactions similar to the Loan.

7. The Purchaser is entering into the Loan solely for its own account with a present intent to continue as a party to the Agreement until the termination thereof, and not with a view to, or in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof (subject to the understanding that disposition of Purchaser's property will remain at all times within its control); provided, however, that the Purchaser shall not be precluded from transferring or assigning its interest in the Loan in accordance with the terms and conditions set forth in the Agreement and in compliance with all applicable securities laws.

8. The Purchaser understands that none of the documents in connection with the Loan (i) have been registered under the 1933 Act, or (ii) have been registered or qualified under any state securities or "Blue Sky" laws, and that none of such documents have been qualified under the Trust Indenture Act of 1939, as amended. Purchaser agrees that it will comply with any applicable state and federal securities in connection with respect to any disposition of it rights with respect to the Installment Purchase Agreement by it, and further acknowledges that any current exemption from registration of the Installment Purchase Agreement does not affect or diminish such requirements.

9. The Purchaser acknowledges that in connection with the Loan it has had the opportunity to consult with its own legal counsel and to negotiate this Letter prior to execution.

10. The Purchaser understands that the District and Counsel to the District will rely upon the accuracy and truthfulness of the representations and warranties contained herein and hereby consents to such reliance.

11. The signatory of this Letter is a duly authorized officer of the Purchaser with the authority to sign this Letter on behalf of the Purchaser, and this Letter has been duly authorized, executed and delivered.

12. Inasmuch as the Loan represents a negotiated transaction, the Purchaser is not acting as a fiduciary of the District, but rather is acting solely in its capacity as the provider of the Loan, for its own loan account. The District acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the District and the Purchaser and its affiliates, (ii) in connection with such transaction, the Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), (iii) the Purchaser and its affiliates are relying on the purchaser exemption in the Municipal Advisor Rules, (iv) the Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated by the Loan and the discussions, undertakings and procedures leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has provided other services or advised, or is currently providing other services or advising the District on other matters) and (v) the Purchaser and its affiliates have financial and other interests that differ from those of the District.

Very truly yours,

COLUMBIA BANK

By: _____
Name: _____
Title: _____

EXHIBIT E

FORM OF ADVANCE REQUEST

Calaveras County Water District
Installment Purchase Agreement

The undersigned hereby certifies that he/she is an Authorized Officer under that certain Installment Purchase Agreement dated as of November 25, 2026 (the "Agreement"), by and between the Calaveras County Water District and Columbia Bank (the "Bank"). All capitalized terms used in this Advance Request ("Advance Request") shall have the respective meanings assigned in the Agreement.

The undersigned Authorized Officer hereby makes a request to the Bank for an Advance and in support thereof states:

(i) The amount of the Advance so requested is $_____.

(ii) Upon the funding of such Advance, the sum of all Advances will not exceed the Maximum Advance Amount.

(iii) At the time the requested Advance is to be made and as a result thereof, immediately thereafter, all representations and warranties of the District set forth in **Article II** of the Installment Purchase Agreement are true and correct as though made on the date hereof and will be true and correct as though made on the Advance Date and no Event of Default shall have occurred and be continuing on the date hereof and on the Advance Date and no litigation is currently pending or threatened concerning the District's authority to pledge the Net Revenues as provided in the Installment Purchase Agreement.

(iv) [The District is, as of the date hereof, and will be on the Advance Date, in compliance with the covenants set forth in the Water Fund Obligations and in the financing documents related thereto.][1] [The Bank has received the fully executed USDA Separation Amendment, or the Bank has consented in writing pursuant to Section 4.5(a)(vii) of the Agreement to the funding of the requested Advance prior to its receipt of the USDA Separation Amendment.][2]

(v) The requested Advance shall be made by the Bank by [a transfer to that certain Project Fund established and held by the Purchaser and administered pursuant to the Project Fund Agreement] [ACH batch transfer to the District in accordance with the instructions set forth below:

[Insert wire instructions]

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2026.

CALAVERAS COUNTY WATER DISTRICT

By: _____
Authorized Officer

[1] To be included in Advance requests prior to the Date of Separation.
[2] To be included in Advance requests following the Date of Separation.

Gilmore & Bell, P.C.
Draft-November 10, 2026

PROJECT FUND ADMINISTRATION AGREEMENT

This **PROJECT FUND ADMINISTRATION AGREEMENT** (as amended and supplemented hereafter, this "Agreement"), dated as of November 25, 2026 ("Effective Date"), is entered into by and among **CALAVERAS COUNTY WATER DISTRICT**, a county water district duly organized and existing under the laws of the State of California ("District"), **COLUMBIA BANK**, an Oregon state-chartered bank, as lender and secured party ("Secured Party"), and **COLUMBIA BANK**, an Oregon state-chartered bank, as escrow bank ("Bank"), and sets forth the rights of Secured Party and the obligations of Bank with respect to the deposit accounts of District at Bank identified below as the Project Fund Collateral Account (each hereinafter referred to individually as a "Collateral Account" and collectively as the "Project Fund Collateral Account").

1. Project Fund Collateral Account. Pursuant to that certain Installment Purchase Agreement (as amended and supplemented, the "Installment Agreement"), dated as of November 25, 2026, by and between District and the Secured Party, District has agreed to establish a Project Fund with Bank, which Project Fund is being established with funds provided by Secured Party in the maximum amount of $8,550,000, and District has also agreed to grant Secured Party, as lender to District, a security interest in all rights of District with respect to the following accounts located at Bank and subject to the terms of the Deposit Agreements (as hereinafter defined):

Routing Number: 123205054
Account Number: _____
Account Title: 2026 IPA Project Fund

Each such account, together with all substitutions and replacements therefor, the "Project Fund Collateral Account". The terms and conditions of this Agreement are in addition to any deposit account agreements and other related agreements that District has with Bank, including without limitation the Business and Non-Personal Account Terms, Disclosures, and Agreements Booklet, and all agreements concerning banking products and services, treasury management documentation, account booklets containing the terms and conditions of the Project Fund Collateral Account, signature cards, fee schedules, disclosures, specification sheets and change of terms notices (collectively, the "Deposit Agreements"). The provisions of this Agreement shall supersede the provisions of the Deposit Agreements only to the extent the provisions herein are inconsistent with the Deposit Agreements, and in all other respects, the Deposit Agreements shall remain in full force and effect. All items deposited into the Project Fund Collateral Account shall be processed according to the provisions of the Deposit Agreements, as amended by this Agreement. Funds in the Project Fund Collateral Account shall be invested in an interest-bearing deposit account and remain invested in investments and securities eligible under Government Code section 16430[1] and in compliance with District's Federal Tax Agreement dated the date hereof (the "Tax Agreement"), subject to Bank's customary business practices. Funds in the Project Fund Collateral Account will not be secured by any collateral.

2. Secured Party's Interest in Project Fund Collateral Account. Secured Party represents that it is either (i) a lender who has extended credit to District and has been granted a security interest in the Project Fund Collateral Account or (ii) such a lender and the agent for a group of such lenders. District hereby confirms the security interest granted by District to Secured Party in all of

[1] For the avoidance of doubt, deposit accounts, federal funds and banker's acceptances of the Bank or its affiliates shall also satisfy this provision.

District's right, title and interest in and to the Project Fund Collateral Account and all sums now or hereafter on deposit in or payable or withdrawable from the Project Fund Collateral Account (the "Collateral Account Funds").

3. Disbursements. Bank, Secured Party and District each agree that Bank will comply with instructions given to Bank by authorized agents of District, identified in **Exhibit A** hereto, directing disposition of funds in the Project Fund Collateral Account ("Instructions"). District irrevocably authorizes Bank to comply with any Instructions. Except as otherwise required by law, Bank will not agree with any third party to comply with instructions for disposition of funds in the Project Fund Collateral Account originated by such third party. Any earnings generated from amounts on deposit in the Project Fund Collateral Account shall be used to pay costs of the Project (as defined in the Tax Agreement).

4. Transfers in Response to Instructions. Any disposition of funds which Bank makes in response to Instructions is subject to Bank's standard policies, procedures and documentation governing the type of disposition made; provided, however, that in no circumstances will any such disposition require District's consent. To the extent any Collateral Account is a certificate of deposit or time deposit, Bank will be entitled to deduct any applicable early withdrawal penalty prior to disbursing funds from such account in response to Instructions.

5. Balance Reports and Bank Statements. Bank agrees, at the request of Secured Party on any day on which Bank is open to conduct its regular banking business, other than a Saturday, Sunday or public holiday (each a "Business Day"), to make available to Secured Party a report ("Balance Report") showing the opening available balance in the Project Fund Collateral Account as of the beginning of such Business Day, by a transmission method determined by Bank, in Bank's sole discretion. District expressly consents to this transmission of information. Bank will, on receiving a written request from Secured Party, send to Secured Party by United States mail, at the address indicated for Secured Party after its signature to this Agreement, duplicate copies of all periodic statements on the Project Fund Collateral Account which are sent to District.

6. Returned Items. Secured Party and District understand and agree that the face amount ("Returned Item Amount") of each Returned Item will be paid by Bank debiting the Collateral Account to which the Returned Item was originally credited, without prior notice to Secured Party or District. As used in this Agreement, the term "Returned Item" means (i) any item deposited to a Collateral Account and returned unpaid, whether for insufficient funds or for any other reason, and without regard to timeliness of the return or the occurrence or timeliness of any drawee's notice of non-payment; (ii) any item subject to a claim against Bank of breach of transfer or presentment warranty under the Uniform Commercial Code (as adopted in the applicable state) or Regulation CC (12 C.F.R. §229), as in effect from time to time; (iii) any automated clearing house ("ACH") entry credited to a Collateral Account and returned unpaid or subject to an adjustment entry under applicable clearing house rules, whether for insufficient funds or for any other reason, and without regard to timeliness of the return or adjustment; (iv) any credit to a Collateral Account from a merchant card transaction, against which a contractual demand for chargeback has been made; and (v) any credit to a Collateral Account made in error. District agrees to pay all Returned Item Amounts immediately on demand, without setoff or counterclaim, to the extent there are not sufficient funds in the applicable Collateral Account to cover the Returned Item Amounts on the day Bank attempts to debit them from the Collateral Account. Secured Party agrees to pay all Returned Item Amounts within fifteen (15) calendar days after demand, without setoff or counterclaim, to the extent that (i) the Returned Item Amounts are not paid in full by District within five (5) calendar days after demand on District by Bank, and (ii) Secured Party has received proceeds from the corresponding Returned Items under this Agreement.

7. Settlement Items. Secured Party and District understand and agree that the face amount ("Settlement Item Amount") of each Settlement Item will be paid by Bank debiting the applicable Collateral Account, without prior notice to Secured Party or District. As used in this Agreement, the term "Settlement Item" means (i) each check or other payment order drawn on or payable against any controlled disbursement account or other deposit account at any time linked to any Collateral Account by a zero balance account connection or other automated funding mechanism (each a "Linked Account"), which Bank cashes or exchanges for a cashier's check or official check in the ordinary course of business and which is presented for settlement against the Collateral Account (after having been presented against the Linked Account), (ii) each check or other payment order drawn on or payable against a Collateral Account, which Bank cashes or exchanges for a cashier's check or official check in the ordinary course of business after Bank's cutoff time for posting, (iii) each ACH credit entry initiated by Bank, as originating depository financial institution, on behalf of District, as originator, and (iv) any other payment order drawn on or payable against a Collateral Account or any Linked Account, which Bank has paid or funded. District agrees to pay all Settlement Item Amounts immediately on demand, without setoff or counterclaim, to the extent there are not sufficient funds in the applicable Collateral Account to cover the Settlement Item Amounts on the day they are to be debited from the Collateral Account. Secured Party agrees to pay all Settlement Item Amounts within fifteen (15) calendar days after demand, without setoff or counterclaim, to the extent that (i) the Settlement Item Amounts are not paid in full by District within five (5) calendar days after demand on District by Bank, and (ii) Secured Party has received Collateral Account Funds under this Agreement.

8. Bank Fees. District agrees to pay all Bank's fees and charges for the maintenance and administration of the Project Fund Collateral Account and for the treasury management and other account services provided with respect to the Project Fund Collateral Account and any Lockboxes (collectively "Bank Fees"), including, but not limited to, the fees for (a) Balance Reports provided on the Project Fund Collateral Account, (b) funds transfer services received with respect to the Project Fund Collateral Account, (c) lockbox processing services, (d) Returned Items, (e) funds advanced to cover overdrafts in the Project Fund Collateral Account (but without Bank being in any way obligated to make any such advances), and (f) duplicate bank statements. The Bank Fees will be paid by Bank debiting one or more of the Project Fund Collateral Account on the Business Day that the Bank Fees are due, without notice to Secured Party or District. If there are not sufficient funds in the Project Fund Collateral Account to cover fully the Bank Fees on the Business Day Bank attempts to debit them from the Project Fund Collateral Account, such shortfall or the amount of such Bank Fees will be paid by District to Bank, without setoff or counterclaim, within five (5) calendar days after demand from Bank. Secured Party agrees to pay any Bank Fees within fifteen (15) calendar days after demand, without setoff or counterclaim, to the extent such Bank Fees are not paid in full by District within five (5) calendar days after demand on District by Bank. For the purposes of this section, Bank Fees related to the Agreement will be waived so long as the District maintains its existing customer relationship.

9. Deposit Agreements. Except as specifically provided in this Agreement, Secured Party and District agree that the Project Fund Collateral Account will be subject to, and Bank's operation of the Project Fund Collateral Account will be in accordance with, the Deposit Agreements.

10. Partial Subordination of Bank's Rights. Bank hereby subordinates to the security interest of Secured Party in the Project Fund Collateral Account (i) any security interest which Bank may have or acquire in the Project Fund Collateral Account, and (ii) any right which Bank may have or acquire to set off or otherwise apply any Collateral Account Funds against the payment of any indebtedness from time to time owing to Bank from District, except for debits to the Project Fund Collateral Account permitted under this Agreement for the payment of Returned Item Amounts, Settlement Item Amounts or Bank Fees.

11. Bankruptcy Notice; Effect of Filing. If Bank at any time receives notice of the commencement of a bankruptcy case or other insolvency or liquidation proceeding by or against District, Bank will continue to comply with its obligations under this Agreement, except to the extent that any action required of Bank under this Agreement is prohibited under applicable bankruptcy laws or regulations or is stayed pursuant to the automatic stay imposed under the United States Bankruptcy Code or by order of any court or agency. With respect to any obligation of Secured Party hereunder which requires prior demand on District, the commencement of a bankruptcy case or other insolvency or liquidation proceeding by or against District will automatically eliminate the necessity of such demand on District by Bank, and will immediately entitle Bank to make demand on Secured Party with the same effect as if demand had been made on District and the time for District's performance had expired.

12. Legal Process, Legal Notices and Court Orders. Bank will comply with any legal process, legal notice or court order it receives in relation to a Collateral Account if Bank determines in its sole discretion that the legal process, legal notice or court order is legally binding on it.

13. Indemnification. District will indemnify, defend and hold harmless Bank, its officers, directors, employees, and agents (collectively, the "Indemnified Parties") from and against any and all claims, demands, losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees) (collectively "Losses and Liabilities") Bank may suffer or incur as a result of or in connection with (a) Bank complying with any binding legal process, legal notice or court order referred to in the immediately preceding section of this Agreement, (b) Bank following any instruction or request of Secured Party, including but not limited to any Instructions, or (c) Bank complying with its obligations under this Agreement, except to the extent such Losses and Liabilities are caused by Bank's gross negligence or willful misconduct. To the extent such obligations of indemnity are not satisfied by District within five (5) days after demand on District by Bank, Secured Party will indemnify, defend and hold harmless Bank and the other Indemnified Parties against any and all Losses and Liabilities Bank may suffer or incur as a result of or in connection with Bank following any instruction or request of Secured Party, except to the extent such Losses and Liabilities are caused by Bank's gross negligence or willful misconduct.

14. Bank's Responsibility. This Agreement does not create any obligations of Bank, and Bank makes no express or implied representations or warranties with respect to its obligations under this Agreement, except for those expressly set forth herein. In particular, Bank need not investigate whether Secured Party is entitled under Secured Party's agreements with District to give Instructions. Bank may rely on any and all notices and communications it believes are given by the appropriate party. Bank will not be liable to District, Secured Party or any other party for any Losses and Liabilities caused by (i) circumstances beyond Bank's reasonable control (including, without limitation, computer malfunctions, interruptions of communication facilities, labor difficulties, acts of God, wars, or terrorist attacks) or (ii) any other circumstances, except to the extent that such Losses and Liabilities are directly caused by Bank's gross negligence or willful misconduct. In no event will Bank be liable for any indirect, special, consequential or punitive damages, whether or not the likelihood of such damages was known to Bank, and regardless of the form of the claim or action, or the legal theory on which it is based. Any action against Bank by District or Secured Party under or related to this Agreement must be brought within twelve (12) months after the cause of action accrues.

15. Termination. This Agreement may be terminated by Secured Party or Bank at any time by either of them giving thirty (30) calendar days prior written notice of such termination to the other parties to this Agreement; provided, however, that this Agreement may be terminated immediately upon written notice (i) from Bank to District and Secured Party should District or Secured Party fail to make any payment when due to Bank from District or Secured Party under the terms of this Agreement, or (ii) from Secured Party to Bank on termination or release of Secured Party's security interest in the Project Fund Collateral Account; provided that any notice from Secured Party under clause (ii) of this sentence

must contain Secured Party's acknowledgement of the termination or release of its security interest in the Project Fund Collateral Account, as shown in the form of termination notice attached hereto as **Exhibit B**. District's and Secured Party's respective obligations to report errors in funds transfers and bank statements and to pay Returned Items Amounts, Settlement Item Amounts, and Bank Fees, as well as the indemnifications made, and the limitations on the liability of Bank accepted, by District and Secured Party under this Agreement will continue after the termination of this Agreement with respect to all the circumstances to which they are applicable, existing or occurring before such termination, and any liability of any party to this Agreement, as determined under the provisions of this Agreement, with respect to acts or omissions of such party prior to such termination will also survive such termination. In the event that Secured Party provides to Bank written notice of the occurrence of an Event of Default under the Installment Agreement, Bank shall immediately cease to disburse funds under the terms of this Agreement and shall remit to Secured Party the entire balance of the Project Fund Collateral Account.

16. Modifications, Amendments, and Waivers. This Agreement may not be modified or amended, or any provision thereof waived, except in a writing signed by all the parties to this Agreement.

17. Notices. All notices from one party to another must be in writing, which includes electronically via e-mail, and be delivered to District, Secured Party and/or Bank at their contact addresses specified after their signatures to this Agreement, or any other address of any party communicated to the other parties in writing. Unless otherwise described above, notices will be effective on receipt. Any notice sent by a party to this Agreement to another party must also be sent to all other parties to this Agreement. Bank is authorized by District and Secured Party to act on any instructions or notices received by Bank if (a) such instructions or notices purport to be made in the name of Secured Party, (b) Bank reasonably believes that they are so made, and (c) they do not conflict with the terms of this Agreement as such terms may be amended from time to time, unless such conflicting instructions or notices are supported by a court order.

18. Successors and Assigns. Neither District nor Secured Party may assign or transfer its rights or obligations under this Agreement to any person or entity without the prior written consent of Bank, which consent will not be unreasonably withheld or delayed. Notwithstanding the foregoing, Secured Party may transfer its rights and duties under this Agreement to (i) a transferee to which, by contract or operation of law, Secured Party transfers substantially all of its rights and duties under the financing or other arrangements between Secured Party and District, or (ii) if Secured Party is acting as a representative in whose favor a security interest is created or provided for, a transferee that is a successor representative; provided that as between Bank and Secured Party, Secured Party will not be released from its obligations under this Agreement unless and until Bank receives any such transferee's binding written agreement to assume all of Secured Party's obligations hereunder. Bank may not assign or transfer its rights or obligations under this Agreement to any person or entity without the prior written consent of Secured Party, which consent will not be unreasonably withheld or delayed; provided, however, that no such consent will be required if such assignment or transfer takes place as part of a merger, acquisition or corporate reorganization affecting Bank.

19. Governing Law. This Agreement will be governed by and be construed in accordance with the laws of the state of California, without regard to conflict of laws principles. This state will also be deemed to be Bank's jurisdiction, for purposes of Article 9 of the Uniform Commercial Code as it applies to this Agreement.

20. Severability. To the extent that the terms of this Agreement are inconsistent with, or prohibited or unenforceable under, any applicable law or regulation, they will be deemed ineffective only to the extent of such prohibition or unenforceability, and will be deemed modified and applied in a manner consistent with such law or regulation. Any provision of this Agreement which is deemed

unenforceable or invalid in any jurisdiction will not affect the enforceability or validity of the remaining provisions of this Agreement or the same provision in any other jurisdiction.

21. Counterparts. This Agreement may be executed in any number of counterparts each of which will be an original with the same effect as if the signatures were on the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by telecopier or electronic image scan transmission (such as a "pdf" file) will be effective as delivery of a manually executed counterpart of the Agreement.

22. Entire Agreement. This Agreement, together with the Deposit Agreements, contains the entire and only agreement among all the parties to this Agreement and between Bank and District, on the one hand, and Bank and Secured Party, on the other hand, with respect to (a) the interest of Secured Party in the Project Fund Collateral Account and Collateral Account Funds, and (b) Bank's obligations to Secured Party in connection with the Project Fund Collateral Account and Collateral Account Funds.

23. Judicial Reference. TO THE EXTENT PERMITTED BY LAW, THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE RELATED DOCUMENTS OR THE TRANSACTION CONTEMPLATED HEREBY OR THEREBY. IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, THE PARTIES HEREBY CONSENT TO THE ADJUDICATION OF ANY AND ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ANY AND ALL ISSUES IN SUCH REFERENCE WHETHER FACT OR LAW. THE PARTIES HEREBY REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL OF ITS CHOICE ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

[SIGNATURE PAGES FOLLOW]

This Agreement has been signed by the duly authorized officers or representatives of District, Secured Party and Bank and is deemed to be effective as of the Effective Date stated above.

CALAVERAS COUNTY WATER DISTRICT
District

By: _____
Name: _____
Title: _____

Address for District Notices:
Calaveras County Water District
120 Toma Court
San Andreas, CA 95249

COLUMBIA BANK
Secured Party

By: _____
Name: Anastasia Efstathiu
Title: Vice President, Relationship Manager

Address for Secured Party Notices:
Columbia Bank
2998 Douglas Blvd., Ste. 145
Roseville, CA 95661
Attention: Anastasia Efstathiu

COLUMBIA BANK
Bank

By: _____
Name: Anastasia Efstathiu
Title: Vice President, Relationship Manager

Address for Bank Notices:
Columbia Bank
2998 Douglas Blvd., Suite 145
Roseville, CA 95661
Attention: Anastasia Efstathiu

EXHIBIT A

FORM OF PROJECT FUND DISBURSEMENT REQUEST

The undersigned, the _____ of Calaveras County Water District (the "District"), is familiar with the facts herein certified and is authorized and qualified to certify the same, and hereby requests that Columbia Bank, as administrator (the "Administrator" or "Bank") under the Project Fund Administration Agreement, dated as of November 25, 2026, by and among the District, the Administrator and Columbia Bank, as secured party (the "Secured Party"), make a disbursement from the Project Fund held by the Administrator, and disburse such funds as set forth in Section 4 below (the "Proposed Disbursement"):

1. The Business Day of the Proposed Disbursement is _____, 20__ (the "Disbursement Date").

2. The principal amount of the Proposed Disbursement is $_____, which, when added to any other prior Proposed Disbursements, such amount shall not exceed the amount maximum amount allocated to be allocated to the Project Fund as described further in the Tax Agreement.

3. The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the Disbursement Date, before and after giving effect to the Proposed Disbursement is:

(a) The representations and warranties of the District set forth in the Installment Purchase Agreement (as amended and supplemented, the "Installment Agreement"), dated as of November 25, 2026, by and between District and the Secured Party, are true and correct in all material respects (or in the case of any representation qualified by materiality, in all respects) on the date hereof, as if made on the date hereof;

(b) No Event of Default (as defined in the Installment Agreement) has occurred and is continuing; and

(c) The Proposed Disbursement are being used for costs of the Project, as defined in the Installment Agreement.

4. The Proposed Disbursement shall be made by the Administrator by wire transfer from the Project Fund on behalf of the District in accordance with the instructions set forth below and the District hereby confirms that the Administrator is authorized to make said disbursements:

[Insert wire instructions and amounts]

Capitalized terms used and not defined herein shall have the meanings given to them in the Project Fund Administration Agreement.

Dated: _____, 20____.

CALAVERAS COUNTY WATER DISTRICT

By: _____

Title: _____

EXHIBIT B

FORM OF PROJECT FUND COLLATERAL ACCOUNT TERMINATION

_____, 20___

Columbia Bank, as Administrator
2998 Douglas Blvd., Suite 145
Roseville, CA 95661
Attention: Anastasia Efstathiu

Re: Project Fund Collateral Agreement Termination

Ladies and Gentlemen:

This termination notice is delivered to Columbia Bank, as administrator ("Bank") pursuant to the Project Fund Administration Agreement (as amended and supplemented, the "Agreement"), dated as of November 25, 2026, entered into by and among **CALAVERAS COUNTY WATER DISTRICT**, a county water district duly organized and existing under the laws of the State of California (the "District"), Columbia Bank, as secured party ("Secured Party") and Bank, as administrator. All capitalized terms used but not defined in this notice have the meanings given to them in the Agreement.

In accordance with Section 15 of the Agreement, this termination notice is sent by Secured Party to notify Bank that (i) Secured Party has terminated or released its secured interest in the Project Fund Collateral Account and (ii) by virtue of the termination or release of its secured interest, Secured Party wishes to terminate the Agreement.

Secured Party confirms that it has sent a copy of this termination notice to District.

Secured Party understands that Bank shall have a reasonable time to act upon this termination notice and that all rights, obligations, and duties of each party under the Agreement shall be terminated except for those that are explicitly stated in the Agreement to survive termination.

Sincerely,

COLUMBIA BANK, as Secured Party

By: _____
Title: _____

cc: Calaveras County Water District

3b

AGENDA ITEM

3b

Agenda Item

DATE: November 17, 2026

TO: Finance Committee

FROM: Kelly Zahniser, Director of Administrative Services

SUBJECT: Review Updates to Article III of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services

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RECOMMENDED ACTION:

Staff recommend that the Finance Committee review the proposed revisions to Article III of the District's Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services and provide comments and direction to staff in preparation for consideration and adoption by the Board of Directors.

BACKGROUND

The Calaveras County Water District periodically reviews its Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services to ensure that they remain consistent with District operations, applicable legal requirements, and established customer service practices.

Article III addresses applications for service, rates, billing procedures, delinquent accounts, customer deposits, service discontinuation, and other requirements associated with providing water and wastewater services.

As part of the District's Monthly Billing Project, staff conducted a comprehensive review of Article III to identify provisions requiring modification to accommodate the transition from bi-monthly to monthly utility billing. The review also identified opportunities to clarify existing regulations, improve consistency in administrative procedures, and address customer service provisions that have evolved since the regulations were last updated.

The Board of Directors has received regular updates regarding the Monthly Billing Project, including the proposed billing structure, implementation activities, and customer communication efforts.

Under the new billing structure, customers will receive a utility statement each month, while water meters will continue to be read every other month. Fixed service charges will be billed monthly, and consumption charges will be assessed based on the

applicable meter-reading schedule.

The proposed revisions to Article III establish the regulatory framework for these changes and incorporate additional administrative and customer service updates.

DISCUSSION

Staff have reviewed Article III and prepared proposed amendments addressing service applications, temporary water service, deposits, billing procedures, delinquent accounts, payment arrangements, service discontinuation, and other related provisions.

The proposed revisions are summarized below.

Section 21B – Deposits

Section 21 includes provisions addressing applications for service, customer deposits, temporary water service, service suspension, and termination.

The proposed revisions update deposit language to reflect monthly base service charges and clarify requirements applicable to non-owner customers and accounts reinstated following disconnection for nonpayment.

The proposed language establishes a deposit equivalent to two months of the current monthly base service charges for the services provided to the parcel.

The revisions are intended to maintain consistency in deposit administration while aligning the regulations with the new billing structure.

Section 22 - Delinquent Accounts and Late-Payment Procedures

Section 22 addresses delinquent accounts, late-payment penalties, alternative payment arrangements, customer appeals, and service discontinuation.

The proposed regulations establish that an account becomes delinquent when an unpaid balance remains twenty-five (25) calendar days after issuance of the applicable monthly utility bill, unless alternative payment arrangements have been established.

The provisions also establish a ten ($10) dollar first late-payment penalty and allow balances of twenty ($20) dollars or less to be carried forward to the next monthly billing period without assessment of a late fee or further collection action.

The regulations provide for reasonable efforts to notify customers of impending late fees through available communication methods, including telephone, email, or text messaging.

The proposed revisions are intended to establish consistent procedures for

administering delinquent accounts under the monthly billing structure.

Sections 24, 25 and 26 - Monthly Utility Billing and Meter Reading Procedures

The above-mentioned sections have been updated to establish monthly utility billing while retaining the District's existing bi-monthly meter-reading schedule.

The revisions clarify that fixed water and wastewater service charges will be billed monthly, while water consumption charges will be based on the applicable meter-reading schedule.

The proposed regulations also address meter-reading schedules, estimated consumption when actual readings cannot be obtained, and calculations for opening, closing, and special bills.

These amendments are intended to ensure consistent billing practices and provide customers with a clear understanding of how charges will appear on their monthly statements.

FINANCIAL CONSIDERATIONS

The proposed revisions primarily address administrative procedures, billing frequency, and customer service requirements.

RECOMMENDATIONS

Staff recommend that the Finance Committee review the proposed revisions presented in Exhibit A, provide comments and identify any additional changes for staff to consider. Following the Committee’s review, staff will finalize the proposed revisions and present them to the Board of Directors for consideration and adoption at its December 2026 meeting.

ATTACHMENTS

1. Exhibit A – CCWD Rules and Regulations Article III Proposed Final Draft

2. Exhibit B - CCWD Rules and Regulations Article III Redlines

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Section 21 Distribution of Service Revenues. The District will from time to time establish, impose upon and collect from an Applicant for water and/or sewer service such charges as will provide and pay the operating expenses of the water and/or sewer system serving the Improvement District, provide for its repair and replacement and so far as possible pay the interest on the bonded indebtedness incurred for it, provide a sinking fund for the payment of the principal of said bonded indebtedness as it may become due.

Resolution 1883, July 30, 1975

A1. Application for the Responsibility for Payment of Service. Water and/or sewer service shall be furnished only upon written application therefore signed by the owner of the property, along with a copy of an approved building permit, and full payment of all required fees, for new connections. The application for water and/or sewer service shall show the date of application, location of service, name, address, date service is to start, payment of any required deposit (refer to Deposit Fee Schedule), new connection fee, and such other information as may be requested in the application. The bill for such water and/or sewer service shall be sent to the owner of the property at the address designated by the owner on the application. If approved by the legal deeded owner, a secondary party can receive the bill instead of the owner. Should the owner want the secondary party to receive the regular bills, the District will provide this service. The owner will still receive delinquent bills and the owner will still be the one responsible for all charges and fees owed to the District. The owner shall be responsible for any delinquent and unpaid charges and related costs pursuant to Water Code Section 31701.5. The applicant for service used herein shall mean the owner, as holder to title to the property (land) to which service is requested.

In order for a customer to be able to obtain service on a new parcel or open any account, the Customer must be current on all amounts owed to CCWD, including any assessments or outstanding amounts owed for service on any parcel or account with CCWD, even if the past account has been closed. All past due amounts must be brought current before additional accounts can be opened or additional services provided by CCWD.

Amended by Resolution 2021-71, Sept.8, 2021
Resolution 2014-58, Sept. 17, 2014
Resolution 92-57, May 14, 1992
Resolution 84-5, January 12, 1984

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A2. Temporary Water Service.

General Provisions: This temporary service provision is intended to allow the sale of water, not sewer services, to unimproved properties (i.e., properties for which a Certificate of Occupancy on a valid building permit has not been issued). Owners/contractors may apply for these services to provide construction, agricultural or irrigation water.

In the event that restrictions are placed on water usage, priority for service will be given to those who have permanent service connections. Permanent service must be obtained prior to the issuance of a Certificate of Occupancy or valid building permit, depending on service below and payment of all applicable connection and equivalent assessment fees due within the service area.

use of a temporary water service to establish a sewer service connection is strictly prohibited. Violations will result in the owner being charged the following:

- Incremental water connection fees and equivalent assessment fees between the date the temporary water service was established and the date the District provided the owner with notification of the violation.

  Sewer connection fees and equivalent assessment fees as of the date the District provided the owner with notification of the violation.

- Monthly sewer service and consumption charges from the date the temporary water service was established.

The General Manager or designated representative can provide written authorization for exceptions to this policy.

Agricultural/Irrigation Service: Temporary water service will be allowed for agricultural or irrigation purposes on property that does not already have a permanent service if a valid building permit does not exist. All fees applicable in the service area are required to be paid prior to installation, including connection fees, equivalent assessment fees, line extension charges, account establishment fees, meter fees and costs associated with the extension of and connection to District water lines. Any such service will not be allowed a suspension of service and will be required to pay all monthly base and consumption charges from inception of water service.

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Connections shall be charged a connection fee for one 5/8" meter. Where applicable, a two-year review of consumption will occur. Services that exceed one Single Family Equivalent Units (SFEU), the District will make a determination of appropriate meter size, and additional fees will be charged.

In the event that a valid building permit is subsequently issued for property serviced by a temporary agricultural/irrigation meter, the owner must contact the District and apply for permanent service. Absence of notification by the owner in these events will result in the immediate disconnection of the temporary service.

At the time a permanent service application is received by the District, the District will recalculate any connection and equivalent assessment fees as of the date of the new application; and the owner will be charged any incremental portion over similar fees previously paid. Additional charges may also be charged to the owner, including those related to additional construction costs, change of meter size, or change in ownership (i.e., account establishment fee) pursuant to other District provisions. All fees and charges will be due and payable to the District subject to the standard billing policies. Non-payment of these fees and charges by the owner may result in disconnection of the service and other collection/delinquency procedures established by the District.

Temporary Construction Water Service: Temporary construction water services will be allowed for owners and/or contractors who have a one-time short-term need for construction-related water on unimproved lots. The period of the temporary service under this provision shall run until a Certificate of Occupancy on a building permit is subsequently issued for a property serviced by a temporary agricultural/irrigation meter, and not to exceed ninety (90) days.

Owners or contractors must submit a signed application at least forty-eight (48) hours prior to the requested service installation date. The District will charge the owner or contractor a fifty ($50) dollar installation fee. Additionally, if the service is to be in the contractor's name, the contractor must remit a deposit for three (3) times the base monthly charge in the service area prior to the service being installed. The owner or contractor must remit all fees and deposits to the District prior to installation of the service.

The owner or contractor must notify the District at least forty-eight (48) hours (excluding weekends and Holidays) in advance for a request for termination of service. The owner or contractor is responsible for all charges related to the service through the date of termination in addition to a fifty ($50) dollar removal

fee. Deposit monies will be applied to the final balance, if applicable, and a refund of deposit monies due or a request for additional payment will be made to the responsible party.

If the owner or contractor fails to pay District charges in accordance with District policy, the temporary meter will be removed, if applicable. No further services will be granted to an owner or contractor until payment is received by the District for all past due amounts, including applicable penalties.

Amended by Resolution 2021-71, Sept.8, 2021
Resolution 99-55, October 13, 1999

Hydrant Meter Service: The fill station and hydrant meters are available only to provide temporary construction water for construction use, for a period not to exceed ninety (90) days, unless an approved extension is approved by the General Manager. The customer is required to fill out and sign an application for service which includes a description of intended water use, location of where the construction is to occur, and an estimate of anticipated usage. The application includes a service agreement establishing liability for any accrued costs for water consumption/base daily charges, damage to District infrastructure, and unscheduled maintenance to the District water system, including flushing, due to improper use of hydrant meter equipment/facilities. Use of this water for irrigation, landscaping, or resale is strictly prohibited. Only District provided hydrant meters are permitted and all water pulled from a hydrant can only be used on the location specified on the application.

The applicant, or their contractor, must be able to show proof of an approved hydrant meter service to draw water from a hydrant.

If at any time the District declares mandatory conservation measures are in effect, the District may limit the use by which hydrant meter pulls may be used for.

Installation fees and deposits are required in accordance with the Hydrant Meter/Fill Station Service Fees chart below. Once an application has been authorized by the District, service will be provided, subject to availability of staff, equipment, and facilities. Any unauthorized use of the water or District equipment will be subject to immediate termination of the service and could face being billed a water loss fee of two-hundred ($200) dollars and can be held liable for up to two-thousand five hundred ($2,500) dollars per violation in civil penalties, in an action brought by an authorized public prosecutor, for violating Business and Professions Code section 17200 et seq., in addition to any additional fees due to damage caused to the District’s property due to unlawful diversion.

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Hydrant meter or fill station services will be billed monthly at the irrigations/Landscape/Other consumptive rate and are subject to the same collection policies and procedures as other water and sewer services in their applicable service areas. Rates established for their usage are included in the Hydrant/Fill Station Service Fees chart below.

The customer will also be charged for any other costs as defined in the service agreement above. After payment is received in full for all charges related to this service, the unused portion of the security deposit will be returned to the customer. The General Manager or his designated representatives can provide written authorization for exceptions to this policy not to exceed one thousand ($1,000) dollars.

Charge Type	**Payment Terms**	**Fill Station**	**Hydrant Meter**
Security Deposit	Before Installation	None	$500
Installation Charge	Before Installation	$30	$50
Consumptive Rates	Monthly and/or Disconnection of Service	Irrigation/Landscape/ Other	Irrigation/ Landscape/ Other
Daily Base Charge	Monthly and/or Disconnection of Service	$7	$7
Removal Fee	Disconnection of Service	$30	$50

This policy will become effective for all hydrant meters as of its effective date.

Amended by Resolution 2021-71, Sept.8, 2021
Resolution 98-73 December 23, 1998

B. Deposits. This District, in connection with deposits, as a condition for water and/or sewer service, makes a distinction between the direct billing of the owner of real property within the District as the service address and the bill of the non-owner. Deposits are originally required only when the direct billing is to the non-owner. Deposits are required of all applicants whose service has been

disconnected for non-payment of charges.

Each non-owner customer receiving service who is to be billed directly will be required to pay an account establishment fee and a deposit equal to two (2) times the current monthly base rate for service(s) provided to the parcel.

Accounts that have been disconnected will be required to submit a deposit equal to two (2) times the current monthly base rate for service(s) provided to the parcel.

Upon establishment of one year's credit during which a customer has paid all bills promptly without disconnection for nonpayment, the deposit will be applied to the customer's account or refunded upon final notice of discontinuation of service by the customer.

Amended by Resolution 2021-71 on Sept.8, 2021
Resolution 2019-81
Dec 11, 2019

C. Notice to Owner of Delinquent and Unpaid Charges re Lien on Property. The District will notify the holder of title to land whenever delinquent and unpaid charges for water and/or sewer service, which could become a lien on such property pursuant to Section 31701.6 of the Water Code, remain delinquent and unpaid for sixty (60) days.

Resolution 2492, January 25, 1970
Amended by Resolution 1883, July 30, 1975
Amended by Resolution 98-38, June 10, 1998

D. Suspension of Services. The District will not allow suspension of monthly water and/or wastewater charges under normal circumstances unless one of the following has occurred to a residential property owner:

- Damage to seventy-five (75%) percent or more of the structure that renders the structure uninhabitable.
- Issuance by a government agency of a "non-occupancy" order for a structure.
- Other circumstances beyond personal control of an owner that prevents habitation of a structure or use of the District water and/or wastewater systems for at least six (6) months.

Disconnection of water and wastewater services as a result of non-payment of fees by owner does not cause suspension of monthly service fees covered by this policy. Suspension of services requires disconnection of water on the impacted property and all outstanding fees paid, including a disconnection fee. The suspension period shall be a minimum of six (6) months but may not exceed two (2) years. Such suspension shall require the approval of the District's General Manager. The Suspension shall cover all services provided by the District, both water and wastewater, for the same duration.

The owner must notify the District at least forty-eight (48) hours (excluding weekends and Holidays) and pay the current restoration fee prior to District staff restoring services. If an owner does not restore services within two (2) years, automatic termination of the suspension will occur, and the restoration fee will be added to the account and monthly service and consumption charges will be reinstated.

If any District facilities are found to be in use during such time as service has been suspended, owner will immediately become liable for the monthly water and wastewater service and consumption charges that would have been billed during the suspension period.

E. Termination of Services

Summary:
This District policy allows a residential or commercial customer to permanently terminate water and/or wastewater service(s), limited to only certain specific circumstances contained herein, severing the District's obligation to provide service(s) to the parcel. Once a termination occurs, a reinstatement of service(s) depends on the availability of capacity and requires payment of prevailing capacity fee(s).

Termination:
The legal-deeded owner of a vacant residential or commercial parcel may apply to terminate their water and/or wastewater service(s) by filing a Termination of Service(s) Request form with the District. This form includes acknowledgment by the customer that after termination, the District is no longer obligated to provide any water and/or wastewater service(s) to the customer's property. Termination of water service is conditioned on the parcel being vacant without any habitable structures, and no recorded use of water for the previous two (2) years. If the

property has water and wastewater service, both must be terminated concurrently.

Legal-deeded property owners are permitted to apply to terminate irrigation/landscape meters that have not been used for the previous two (2) years. Owners of commercial properties must acknowledge that terminating an irrigation meter could lead to an increase in wastewater fees.

Upon receipt of the Termination of Service Request form, the District General Manager will determine if the parcel qualifies for termination under this Policy within sixty (60) days. Within the first six (6) months of this policy's adoption, the General Manager has the discretion to allow a customer to terminate service if the customer provides a reasonable explanation for water usage on the account within the previous two (2) years.

In order for the termination of service(s) to be approved, the customer must pay a three hundred ($300) dollar administrative fee and an Operations fee (this fee varies by connection) to have the water meter removed and/or the wastewater connection capped. Upon termination of service(s), the District will not refund any capacity fee(s), as they are attached to the property previously served. However, a credit for the original capacity fee(s) paid when the property first connected to CCWD's water and/or wastewater system will remain attached to the property and will be credited toward full capacity fee(s) owed at the time the property owner decides to apply to reinstate service. Transfer of capacity fees per Article III, Section 21E.1 of CCWD's Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service is not allowed once service has been terminated.

If the termination of service is approved by CCWD, the applicant is responsible for fees associated with the District recording a Notice of Termination of Water and/or Wastewater Services with the County Clerk Recorder's Office stating the water and/or wastewater service(s) have been terminated to this property.

Termination of service(s) will only occur once the applicant has paid the District all required fees. Once the termination of service work is performed by District staff a final billing for service through the physical termination date will be sent out to the legal deeded owner and all District billing and collection policies will be applied.

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Reinstatement:
Once a parcel's residential or commercial water and/or wastewater service has been terminated, the parcel is eligible to be reconnected to the District's water and/or wastewater service no sooner than a period of three (3) years after termination, unless the property is sold, in which case the new legal-deeded property owner can apply for service reinstatement once they meet the District's requirements for a new water and/or wastewater connection. Service reinstatement is not guaranteed and depends on the availability of capacity within the water and/or wastewater system(s). To request reinstatement of water and/or wastewater service(s) for property that previously received treated water or wastewater from the District, the legal-deeded property owner must file a Reinstatement of Service(s) Request form, and this request will be approved or denied by CCWD's General Manager within sixty (60) days of receipt. The applicant must pay a three hundred ($300) dollar administrative fee, an Operations fee to reinstate service (this varies by connection) and capacity fee(s). The capacity fee(s) owed will be the amount that would be required for new service(s) to the applicant's property on the date of reinstatement, less any previously paid capacity fee(s) attached to the property.

If the service reinstatement is approved by CCWD, the applicant is responsible for fees associated with the District recording a Notice of Reinstatement of Water and or Wastewater Services with the County Clerk Recorder's Office stating the water and/or wastewater service(s) is being reinstated.

Reinstatement of service(s) will only occur once the applicant has paid the District all required fees.

Appeals:
The General Manager's determination on termination and reinstatement requests is final unless a customer appeals the determination to the Board of Directors within thirty (30) days of the District's written denial.

Amended by Resolution 2021-71 Sept.8, 2021
Resolution 2019-61
August 14, 2019

E.1 Granting and Accepting Capacity Transfers.

Owners of two parcels within the same CCWD service area as defined below may request the ability to transfer capacity from one lot to another provided:

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a. Both lots involved must be:

   i. Owned in fee title per County of Calaveras Recorder's Office by the same owner at the time capacity transference.

   ii. Located in the same CCWD service area hereby defined as an area served by the same CCWD distribution and/or collection plants.

   iii. Designated for single family residential construction only. Capacity transfer is not available to multi-unit or commercial properties.

   iv. Adjacent to existing distribution and/or collection system infrastructure. Capacity transfer is not available where distribution or collection system extensions are required.

   v. Current on all fees or assessments owed to any other jurisdiction, association or individual, including CCWD.

   vi. Without recorded water usage.

b. Lot transferring capacity:

   i. All original fees are documented as paid.

   ii. Current CCWD account in good standing.

   iii. No structures on the property.

   iv. With transfer forfeits all rights to water and/or sewer capacity to receiving lot.

   v. May not subsequently receive capacity via this process.

c. Lot receiving capacity:

   i. No account established with CCWD.

   ii. No structures on the property.

iii. With transfer receives all rights to water and sewer capacity from transferring lot.

iv. May not subsequently transfer capacity via this process.

E.2 A Capacity Transfer Agreement (**Agreement**) shall be executed by a qualifying Owner and the CCWD General Manager.

a. All costs associated with the **Agreement** including but not limited to recordation of transfer against both lots, meter relocation/connection and administrative fees shall be the complete responsibility of the requesting property owner and paid prior to execution of the Agreement.

b. The **Agreement** shall be recorded at the Calaveras County Recorder Office against both lots involved after execution.

c. The transfer will go into effect after said recordation.

E.3 Implementation of this policy shall be subject to the discretion of the General Manager.

Resolution 2014-17, March 12, 2014

F. Foreclosure Abatement. The District will allow a legally deeded residential property owner, as evidenced through the Calaveras County Recorder's Office, to have their meter locked off at customer request as a result of pending foreclosure. This request must be submitted in writing to the District and would be a one-time courtesy per legally deeded residential property owner. The owner would be required to bring the account current and pay the current lock off fee. Owner will also be responsible for signing a District agreement that would detail the parameters of the Foreclosure Abatement process and consequences of breaching said agreement. The District will require documentation from the owner's lending institution of a default notice or legal notice of foreclosure on customer's property. After the above criteria have been met, all charges (including base rate, fees, and all penalties) would immediately stop as of the date the water service is locked off.

The meter will be locked off for a minimum of two (2) months and a maximum of six (6) months. If, during that period, the property is transferred to a new legally deeded owner that is recorded through the County Recorder's Office, automatic termination of the Foreclosure Abatement agreement will occur and monthly service and consumption charges will be reinstated, making the legally deeded

owner immediately responsible for all normal fees and charges associated with District service, except for those past fees and charges waived by virtue of the Abatement Program. If an owner participates in the Foreclosure Abatement program and still owns the property after six (6) months, service and consumption charges will be reinstated, making the legally deeded owner immediately responsible for all current fees associated with receipt of service from the District, including but not limited to a restoration fee.

If any District facilities are found to be in use by any means (including a cut lock) during such time as service has been in Foreclosure Abatement, owner will immediately become liable for the monthly water and wastewater services and consumption charges that would have been billed during the Foreclosure Abatement agreement period and the agreement with the District for Foreclosure Abatement will be null and void.

If an owner wishes to opt out of the Foreclosure Abatement agreement before the two (2) month minimum period, the owner will immediately become liable for the monthly water and wastewater services and consumption charges that would have been billed during the Foreclosure Abatement period and the agreement with the District for Foreclosure Abatement will be null and void.

The General Manager may provide written authorization for exceptions to this policy where equitable under all of the circumstances, provided that any foregone revenue to the District is at or below three hundred ($300) dollars.

Adopted May 21, 2008, Resolution No. 2008-36

G. Domestic Well Assistance Program: On a limited basis, potable water fill stations will be made available for eligible Calaveras County homeowners who do not have access to public water and are experiencing water quality and/or failing well issues. The water at the District fill stations is potable; however, the District is not responsible or liable in any way for the quality of the water or its use once it is taken from the fill station. The Domestic Well Assistance Program is only available to owners of property located in Calaveras County and has a residence or structural improvement on the parcel. Should a recipient require the services of a Third-Party Water Hauler, the Third-Party Water Hauler must complete a Chain of Custody form each time water is pulled from a fill station verifying that the approved DWAP recipient received the water, and the form must be returned to the District within forty-eight (48) hours from pulling water. Failure to return the form with the recipient’s signature will result in disqualification of the water hauler from pulling any additional water from the station and may result in fines.

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The customer, or their Third-Party Water Hauler, must be able to show proof of an approved Domestic Weel Assistance Program service to draw water from a fill station.

Should service become available to the served address, Section A1 will go into effect requiring connection to the applicable water and/or wastewater system. Should the access, water quality, or failing well issues resolve, access to the program will be terminated.

Water supplied by the Domestic Well Assistance fill stations is for "personal use" only. Use of this water for irrigation, landscaping or resale is strictly prohibited, and may only be used to supply water on the parcel included on the application for service. Unauthorized use of Domestic Well Assistance water can result in termination of the customer's access to the program. Additionally, any entity or person connecting to or obtaining water from a fill station without authorization falls under the Tampering and Unlawful Acts regulation. Said person will be billed (a) a water loss fee of two hundred ($200) dollars, and can be held liable for up to two-thousand five hundred ($2,500) dollars per violation in civil penalties, in an action brought by an authorized public prosecutor, for violating Business and Professions Code section 17200 et seq., and (b) any additional fees due to damage caused to the District's property due to the unlawful diversion.

Additionally, any person who, with intent to obtain for himself or herself water without paying the full lawful charge therefore, or with intent to enable another person/business to do so, or with intent to deprive any utility of any part of the full lawful charge for utility services it provides, commits, authorizes, solicits, aids, or abets any of the following shall be guilty of a crime (misdemeanor).

(1) Diverts or causes to be diverted water services, by any means.

(2) Prevents any utility meter, or other device used in determining the charge for services, from accurately performing its measuring function by tampering or any other means.

(3) Tampers with any property owned by or used by the District to provide water services.

(4) Makes or causes to be made any connection with or reconnection with property owned or used by the District to provide water without the authorization or consent of the District.

(5) Uses or receives the direct benefit of all or a portion of utility services with knowledge or reason to believe that the diversion, tampering, or unauthorized connection existed at the time of that use, or that the use or receipt was otherwise without the authorization or consent of the utility.

(6) Provides access to District water to any unauthorized user by means of

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water delivery, sharing of access key, or duplication of access key.

All of the above are prosecutable offenses and the District reserves the right to exercise any and every remedy permitted by law in the event of tampering with the District's lines and/or equipment. The District will cause the prosecution of all violations of Sections 498, 624 or 625 of the State of California Penal Code, Section 17200 under Business & Professions Code, and all Ordinances or Regulations which make the interference with the orderly supply of water to the District's users a crime.

The District will not be responsible for any loss or damage caused by any negligence or wrongful act of a customer or his/her authorized/unauthorized tenant in operating or using any or all facilities, appliances or equipment for which water is supplied and is not responsible for water quality once drawn from the fill station.

Domestic Well Assistance Program fill station services will be billed quarterly, in advance, and are subject to the same collection policies and procedures as other water services. Rates and fees for the Domestic Well Assistance Program are included in the General Fee Schedule, attached to, and made a part hereof.

Charge Type	Payment Terms	Fee
Application Fee	Before Access	$35
Deposit	With Application	$50
Water Service Rate	Quarterly	$30
Lost Key Charge	As Required	$50
Removal Fee	Disconnection of Service	None

This policy will become effective for all Domestic Well Assistance Program customers as of its effective date.

Amended by Resolution 2021-71 Sept.8, 2021
Resolution 2017-63
October 11, 2017

Section 22. Delinquent Water and/or Wastewater Service Bills and Notification of Discontinuation of Water and/or Wastewater Service.

22.00.01 Delinquent Account Definition

A delinquent account is any account with an unpaid balance by the close of business twenty-five (25) calendar days after the date of issuance of the applicable monthly water and/or wastewater bill, unless the customer has made alternative payment arrangements. The due date shown on each bill shall be the twenty-fifth (25^{th}) calendar day after the date of issuance of the bill.

22.00.02 Late Fees

The District will make a reasonable effort to notify the customer of an impending late fee prior to the due date identified on the bill. The means of notification will be based on the information the District has on file on the customer account (text, phone, email). The District assumes no responsibility for phone or email contact information that has not been kept up to date by the customer.

If a bill is not paid by the due date, the District will apply a ten ($10) dollar first late fee to the delinquent account. A late fee shall be assessed no more than once on any monthly bill.

Any balance of twenty ($20) dollars or less may be carried over, and added to, the next monthly billing period without being assessed a late fee or incurring further collection action.

22.00.03 Alternative Payment Plans

Residential customers who are unable to pay for water or wastewater service(s) within the standard payment period may request an alternative payment plan to avoid discontinuation of service(s). CCWD will consider the request and make a determination as to whether the alternative payment plan is warranted. Alternative payment plans will only be granted under the following circumstances:

22.00.03.1 Threat to Health or Safety

An alternative payment plan may be approved if the discontinuation of water or wastewater service will be life threatening or pose a serious threat to the health and safety of any resident. The request

for an alternative payment plan must include certification from a primary care provider (per WIC § 14088(b)(1)(A)) that the discontinuation of service will be life-threatening or pose a serious threat to the health and safety of any resident.

22.00.03.2 <u>Financial Inability to Pay</u>

The customer or occupant must demonstrate that they are financially unable to pay for residential service(s) within the normal billing cycle. Acceptable forms of income verification are:

- Documentation from The Resource Connection, showing any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants and Children.
- The customer or occupant declares the household's annual income is less than two hundred (200%) percent of the federal poverty level.

Payment plans that extend into the next monthly billing period are considered an amortization plan, which must be in writing and signed by the customer. Such a plan will amortize the unpaid balance over a period agreed upon by the District and the customer not to exceed twelve (12) months from the date of the payment plan agreement. The amortized payments will be combined with and subject to the due date of the customer's regular monthly bills. The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an existing amortization plan. Failure to comply with the terms of an amortization plan for sixty (60) days or more, or failure to pay current charges for sixty (60) days or more while under an amortization plan, will result in the issuance of a written disconnection notice, which will be posted in a prominent and conspicuous location at the premises no fewer than five (5) business days in advance of discontinuation of service.

22.00.04 Appeals

A customer may dispute a bill or request an adjustment of charges through the District's Customer Service Department, within twenty-five (25) days following the billing date. If the Business Services Manager denies the request or fails to respond within fifteen (15) days of the District's receipt of the appeal, the customer may submit a written appeal to the Director of Administrative Services within thirty (30) days of the date the account becomes delinquent, or ten (10) days after the receipt of the denial from the Business Services Manager, whichever is later.

The Director of Administrative Services will issue a written determination within fifteen (15) days. If the Director of Administrative Services denies the appeal, the customer may appeal to the General Manager in writing within fifteen (15) days of the date the Director of Administrative Service's determination. The General Manager will provide the customer with a final decision on the appeal within thirty (30) days from the date the written request was received. Late appeals will not be considered.

The District will not discontinue water and/or wastewater service to a customer if there is a pending appeal. If the final appeal is denied by the General Manager, a notice will be issued to the occupant at least five (5) days prior to the discontinuation of service.

22.00.05 Fee Waivers

"In good standing" is defined as an account that does not have more than one past-due fee during the period of time being reviewed.

Once every two (2) years, District Customer Service Department staff may waive the past-due penalty on customers' accounts, if the account is in good standing, no previous late fees have been waived within the past two (2) years and the account balance has been brought current.

Once every five (5) years, District Customer Service staff may waive the second past-due penalty on customers' accounts if the account is in good standing, no previous second past-due fees have been waived within the past five (5) years and the account balance has been brought current.

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Additional adjustments that are requested by the customer will fall under Ordinance 2000-03 Credit Adjustment Policy.

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22.01 Service Discontinuation

22.01.01 Service Discontinuation Fee

A customer will be charged a fifty ($50) dollar fee for each occasion that an employee of the District is dispatched to disconnect or shut off a service line pursuant to the provisions of Section 22.

22.01.02 Service Disconnection Notifications

A. Residential Accounts

The District will not discontinue water service unless payment by the residential customer has been delinquent for at least sixty (60) days, measured from the date the oldest unpaid bill became delinquent under Section 22.0.01. The District will make a reasonable, good faith effort to contact the customer by phone or by email at least ten (10) calendar days, and in no event fewer than seven (7) business days, before discontinuation of service(s) for nonpayment and a second late fee will be assessed in the amount of twenty ($20) dollars on the account. When the District contacts the customer by telephone, it will offer to provide the District's written policy on discontinuation of residential service for nonpayment and to discuss options to avert discontinuation, including alternative payment schedules, deferred payments, minimum payments, amortization of the unpaid balance, and petition for bill review and appeal. If the District is unable to reach the customer by telephone, a written warning of discontinuation of service(s) will be mailed, no fewer than seven (7) business days before discontinuation to the mailing address designated on the account. If the mailing address and the address of the property to which water service is provided are different, the written warning also will be mailed to the service address, addressed to "Occupant," and a door tag will be placed in a conspicuous area at the service address. The written disconnection notice will include:

- Customer's name and address
- Amount of the delinquency
- Date by which payment arrangements are required to avoid discontinuation of service
- Description of the process to apply for payment arrangements and for an extension of time to pay, and the procedure to request a deferred, reduced, or alternative payment schedule, including amortization of the delinquent

charges
- Description of the process to dispute or appeal a bill
- District contact information
- Tenants right to become customer

B. Non-Residential Accounts

The District will not discontinue water service unless payment by the non-residential customer has been delinquent for at least thirty-five (35) days. The District will make a reasonable, good faith effort to notify the customer forty-eight (48) hours in advance of disconnection of water service for non-payment. The notification will be based upon the preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone. If contact is unsuccessful, a door tag will be placed in a conspicuous area.

22.01.03 <u>Notice to Residential Occupants in Individually Metered Residence</u>

A tenant/occupant has the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address. In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide verification that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling, which may include a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Civil Code section 1962. The District will not consider requests from occupants/tenants to become customers, unless the account associated with their place of residence is in arrears and subject to water disconnection. When the owner, manager, or operator of an individually metered dwelling is the customer of record and the account is in arrears, the District will make every good faith effort to inform the residential occupants, by written notice, that service will be terminated, at least ten (10) days before termination (or at least seven (7) days before termination in the case of a detached single-family dwelling), and that the occupants have the right to become customers of the District as provided in this section.

Occupants who become CCWD customers under the provisions of this policy will be required to pay a new account establishment fee and deposit per Article III,

Section 21 B. of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service.

The act of a residential dwelling occupant becoming a CCWD customer does not alleviate the legal-deeded owner from being ultimately responsible for all fees and charges related to the property. Legal-deeded property owners who enter into landlord-tenant agreements are responsible for all delinquent charges pertaining to the property and will be subject to lien and/or collection through property tax rolls, per California Water Code, Division 12, Part 7, Chapter 2, §31701.5, and California Health and Safety Code, Division 5, Part 3, Chapter 6, §5473.

22.01.04 Notice to Tenants/Occupants in a Multi-Unit Complex Served through a Master Meter

The District will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of each residence, when the water service account is in arrears and subject to disconnection at least ten (10) days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at the address(es) served by the master meter. If one or more of the occupants are willing and able to assume responsibility for the subsequent charges for water service to the satisfaction of the District, or if there is a physical means, legally available to the District, of selectively terminating service to those occupants who have not met the requirements for service, the District will make service available to the occupants who have met those requirements and paid associated capacity, connection, and new account establishment fees.

If the written disconnection notice is returned through the mail as undeliverable, the District will make a reasonable, good faith effort to visit the residence and leave a notice of discontinuation of service for non-payment.

22.02 Service Reconnection

A disconnected service line will only be reconnected when payment of all charges and indebtedness for water and/or wastewater service(s) has been made. A fifty ($50) dollar fee will be charged for each such reconnection during normal business hours. A higher fee will be charged if reconnection is requested outside of normal

business hours, not to exceed one-hundred fifty ($150) dollars. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning July 1, 2021. Notwithstanding the foregoing for a residential customer who demonstrates household income below two hundred (200%) percent of the federal poverty line as provided in Health and Safety Code section 116914, reconnection fees shall not exceed the amounts permitted by that section or the actual cost of reconnection, whichever is less, and the District will waive interest charges on delinquent bills once every twelve (12) months.

22.03 Returned Payments, Unpaid Credit Card Charges, Unhonored ACH Bank Payments, Stopped Payments, Disputed Payments, Over and Underpayments.

For each payment of water and/or wastewater service(s) that is returned unpaid to the District by its financial institution for any reason including customer error, a twenty-five ($25) dollar charge will be added to that account:

Once a payment has been returned by a financial institution, the District will require payment by certified funds (no checks accepted) or credit card for that account for the following twelve (12) month period. If payment is denied twice within a twelve (12) month period, regardless of payment method, the District will require payment by certified funds or credit card for the following twenty-four (24) months.

Payments made to an account in excess of one year of billed charges will be refunded to the customer.

22.04 Annual Review of Charges.

All fees and charges outlined in this section may be reviewed annually for possible adjustments relative to actual costs involved with each notification or action.

22.05 Responsibilities and Authorities.

The customer bears full responsibility for contacting the District regarding the status of any account for water and/or wastewater services immediately upon the receipt of any statement, bill, reminder, or any other notice from the District.

22.06 Tampering

Any person who, with intent to obtain water without paying the full lawful charge, or with intent to enable another person/business to do so, or with intent to deprive the Calaveras County Water District of any part of the full lawful charge for utility services it provides, commits, authorizes, solicits, aids, or abets any of the following will be guilty of a misdemeanor crime. All of the actions below are prosecutable offenses, and the District reserves the right to exercise any and every remedy permitted by law in the event of tampering with the District's lines, meters and/or equipment.

(1) Diverts or causes to be diverted water services, by any means.

(2) Prevents any utility meter, or other device used in determining the charge for services, from accurately performing its measuring function by tampering or any other means.

(3) Tampers with any property owned by or used by the District to provide water services.

(4) Makes or causes to be made any connection with or reconnection with property owned or used by the District to provide water without the authorization or consent of the District.

(5) Uses or receives the direct benefit of all or a portion of utility services with knowledge or reason to believe that the diversion, tampering, or unauthorized connection existed at the time of that use, or that the use or receipt was otherwise without the authorization or consent of the utility.

(6) Provides access to District water to any unauthorized user.

The District will cause the prosecution of all violations of Sections 498, 624 or 625 of the State of California Penal Code, Section 17200 under Business & Professions Code, and all Ordinances or Regulations which make the interference with the orderly supply of water to the District's users a crime.

The District will not be responsible for any loss or damage caused by any negligence or wrongful act of a customer or his/her authorized/unauthorized tenant in operating or using any or all facilities, appliances or equipment for which water is supplied.

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Revised by Resolution 2019-82, December 11, 2019
Revised by Resolution 2017-14, March 22, 2017

Section 23. Responsibility of Service Account Transfers.

No sale or lease of the premises shall be construed as relieving any applicant for service from the payment of such charges until said payment has been made and the account transferred by application duly made as hereafter provided upon the books of the District to the name of the new owner.

Combined in Resolution 2021-71 Sept.8, 2021
Resolution 84-5, January 12, 1984

Section 24. Service Billing Procedure.

Bills for water and/or sewer service will be rendered monthly or as otherwise provided in Section 25A or 25B of Article III of these Rules and Regulations. Fixed service charges shall be billed monthly; water consumption charges will be billed based on the applicable meter-reading schedule.

Water meters will generally be read every other month in accordance with the District's established meter-reading cycles. Monthly billing shall not require a meter reading during each monthly billing period.

Until the Board adopts water consumption rates and tier thresholds stated on a monthly basis, water consumption charges shall be calculated for each meter-reading period using the consumption rates and tier thresholds set forth in the District's adopted rate schedule for that period and shall be billed on the monthly bill issued after the meter reading. Consumption shall not be divided between monthly bills, and tier thresholds shall not be adjusted, by reason of monthly billing.

Resolution 1460, September 20, 1972

Section 25.

A. Meter Reading Procedure for Billings. Where service is metered, the meters will be read at intervals established by the District, generally every other month, for regular, opening, closing and special bills. Monthly bills may be issued without a meter reading in each monthly billing period. Consumption charges shall be based

on actual readings or another method authorized by these Rules if actual readings are unavailable. Estimated consumption shall be calculated and reconciled as provided in Section 25B.
Combination of Meters: Each meter on a customer's premises will be considered separately and the readings of two or more meters will not be combined except where combination of meter readings is specifically provided for in the rate schedule, or where the District's operating convenience or necessity may require the use of more than one meter, or a battery of meters. In this case, the monthly minimum charge will be computed upon the resultant diameter of the total combined discharge areas of such meters, unless otherwise provided in the rate schedules.

B. Meter Reading Schedule. It may not always be possible to read meters on the same day of each scheduled meter-reading cycle, so a variance of about three (3) days will be allowed from one meter-reading cycle to another.

Variance in Meter Reading Schedule Due to Unusual Circumstances: If, because of adverse weather conditions or any condition beyond the control of the District, a meter cannot be read on a regularly scheduled meter-reading cycle, the customer shall be billed for the average use of the prior three (3) actual meter-reading periods. When conditions again allow the reading of the meter, the amount of estimated water consumption previously billed shall be subtracted from the total amount of water used. All water used in excess of that previously billed estimated consumption will be billed in accordance with applicable rate schedules. If the estimated consumption previously billed exceeds actual consumption for the period, the difference shall be credited to the customer's account.

Section 26.

A. Special Billing Computation. Opening and closing bills rendered for a period of less than a full month will be computed in accordance with the applicable schedule prorated on the basis of the ratio of the number of days in the period to the average billing period of sixty (60) days, or on the amount of water and/or sewer service used, whichever is greater. No proration or refund of service charges will be made.

B. Prorating for Special Billings. Should the total period of service be less than one month, the bill shall be computed in accordance with the applicable schedule prorated on the basis of the ratio of the number of days in the period to the average billing period of thirty (30) days, or on the amount of water and/or sewer service used, whichever is greater. Notwithstanding the foregoing, any water consumption

tier thresholds in the District's adopted rate schedule that are stated for a bimonthly meter-reading period shall be prorated on the basis of the ratio of the number of days in the period to sixty (60) days. No proration or refund of service charges will be made.

Section 27. Meter Testing.

Upon making written application and paying the sum of eighty-five ($85) dollars, any customer may have the accuracy tested of the meter through which water is being furnished to his/her premises by the District. If the meter is found to register more than two (2%) percent in excess of the actual quantity of water passing through, correction shall be made, and the sum of eighty-five ($85) dollars refunded to the customer.

Amended Resolution 2021-71 Sept.8, 2021
Resolution 1867
June 18, 1975

Section 28. Account Establishment Fee Applicability.
An Account Establishment Fee will be applicable to the following service conditions:

1. Establishment of a new account for water only, sewer only, or an account for both water and sewer service.

2. Transference of an existing account to new ownership.

3. Re-establishment (turn-on) of an existing water service account which was suspended due to customer request. This does not apply to accounts that are re-established after being turned off for non-payment.

Resolution 93-07
February 11, 1993

Section 29. Sewer Service Charge Rebate Policy.

Rebates will be granted to new sewer customers for the monthly sewer charges billed during periods of non-use of the sewer system while constructing a new dwelling/structure. The rebate shall not exceed the equivalent of six (6) months'

sewer charges and is contingent upon customer meeting eligibility requirements listed below.

Conditions of Eligibility:

1. All capacity and connection fees for the new service must be paid after the effective date of this resolution.

2. New connections must be for new dwelling/structure where there is no use of the sewer system during the construction period.

3. Customer must notify Customer Service at the time of physical connection to the sewer system so that the District may perform an inspection and approve the connection.

4. Customers desiring rebate must present a copy of the final Certificate of Occupancy issued by the Calaveras County Building Department within one-hundred eighty (180) days of issuance of the Certificate of Occupancy with an application for the rebate.

5. Customer account must not be in delinquent status.

Rebates will be prorated based on the date indicated on the Certificate of Occupancy and applied as credits to the customer's account subject to approval by the Customer Service Manager or a designated account representative.

The General Manager or designated representative can provide written authorizations for exceptions to this policy. All provisions of prior ordinances and resolutions of CCWD not inconsistent with this resolution shall remain in force and effect.

Resolution 2002-63, July 31, 2002

Section 30.

1. Application for service, Fee Quotes

Requests for general information on fee schedules within an area serviced by a District facility are free of charge. Quotes for new service capacity and connection fees will be given to all interested parties requesting them for specific properties

wishing to connect to the established facilities. The applicant shall fill out an application that will establish the type of residence/commercial business that is to use the new service(s) prior to a quote being provided.
Additionally, a fifteen ($15) dollar and a forty-five ($45) dollar application fee is required to be paid for residential and commercial quotes, respectively, prior to the issuance of a quote for capacity charges and connection fees for new services.

Application fee will be refunded to original applicants who pay all connection charges and capacity fees and submit a County building permit within ninety (90) days of the new service quote.

Material differences between the information on an application and the subsequent actual use of the CCWD services may render the quote invalid, as determined by the General Manager or any of his authorized designees.

2. Rates, Tolls, Fares and Charges

The establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other changes by this Ordinance are for the purposes of meeting operating expenses, including, without limitation, employee wage rates and fringe benefits, purchasing or leasing supplies, equipment, or materials, meeting financial reserve requirements, or obtaining funds for capital projects necessary to maintain or expand service to District customers.

Replaced by Ordinance 2003-01
Rescinded Resolution No. 2002-80, December 10, 2002
Incorporating Ordinance No. 2002-01, November 13, 2002

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Section 21 Distribution of Service Revenues. The District will from time to time establish, impose upon and collect from an Applicant for water and/or sewer service such charges as will provide and pay the operating expenses of the water and/or sewer system serving the Improvement District, provide for its repair and replacement and so far as possible pay the interest on the bonded indebtedness incurred for it, provide a sinking fund for the payment of the principal of said bonded indebtedness as it may become due.

Resolution 1883, July 30, 1975

A1. Application for the Responsibility for Payment of Service. Water and/or sewer service shall be furnished only upon written application therefore signed by the owner of the property, along with a copy of an approved building permit, and full payment of all required fees, for new connections. The application for water and/or sewer service shall show the date of application, location of service, name, address, date service is to start, payment of any required deposit (refer to Deposit Fee Schedule), new connection fee, and such other information as may be requested in the application. The bill for such water and/or sewer service shall be sent to the owner of the property at the address designated by the owner on the application. If approved by the legal deeded owner, a secondary party can receive the bill instead of the owner. Should the owner want the secondary party to receive the regular bills, the District will provide this service. The owner will still receive delinquent bills and the owner will still be the one responsible for all charges and fees owed to the District. The owner shall be responsible for any delinquent and unpaid charges and related costs pursuant to Water Code Section 31701.5. The applicant for service used herein shall mean the owner, as holder to title to the property (land) to which service is requested.

In order for a customer to be able to obtain service on a new parcel or open any account, the Customer must be current on all amounts owed to CCWD, including any assessments or outstanding amounts owed for service on any parcel or account with CCWD, even if the past account has been closed. All past due amounts must be brought current before additional accounts can be opened or additional services provided by CCWD.

Amended by Resolution 2021-71, Sept.8, 2021
Resolution 2014-58, Sept. 17, 2014
Resolution 92-57, May 14, 1992
Resolution 84-5, January 12, 1984

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A2. Temporary Water Service.

General Provisions: This temporary service provision is intended to allow the sale of water, not sewer services, to unimproved properties (i.e., properties for which a Certificate of Occupancy on a valid building permit has not been issued). Owners/contractors may apply for these services to provide construction, agricultural or irrigation water.

In the event that restrictions are placed on water usage, priority for service will be given to those who have permanent service connections. Permanent service must be obtained prior to the issuance of a Certificate of Occupancy or valid building permit, depending on service below and payment of all applicable connection and equivalent assessment fees due within the service area.

use of a temporary water service to establish a sewer service connection is strictly prohibited. Violations will result in the owner being charged the following:

- Incremental water connection fees and equivalent assessment fees between the date the temporary water service was established and the date the District provided the owner with notification of the violation.

  Sewer connection fees and equivalent assessment fees as of the date the District provided the owner with notification of the violation.

- Monthly sewer service and consumption charges from the date the temporary water service was established.

The General Manager or designated representative can provide written authorization for exceptions to this policy.

Agricultural/Irrigation Service: Temporary water service will be allowed for agricultural or irrigation purposes on property that does not already have a permanent service if a valid building permit does not exist. All fees applicable in the service area are required to be paid prior to installation, including connection fees, equivalent assessment fees, line extension charges, account establishment fees, meter fees and costs associated with the extension of and connection to District water lines. Any such service will not be allowed a suspension of service and will be required to pay all monthly base and consumption charges from inception of water service.

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Connections shall be charged a connection fee for one 5/8" meter. Where applicable, a two-year review of consumption will occur. Services that exceed one Single Family Equivalent Units (SFEU), the District will make a determination of appropriate meter size, and additional fees will be charged.

In the event that a valid building permit is subsequently issued for property serviced by a temporary agricultural/irrigation meter, the owner must contact the District and apply for permanent service. Absence of notification by the owner in these events will result in the immediate disconnection of the temporary service.

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At the time a permanent service application is received by the District, the District will recalculate any connection and equivalent assessment fees as of the date of the new application; and the owner will be charged any incremental portion over similar fees previously paid. Additional charges may also be charged to the owner, including those related to additional construction costs, change of meter size, or change in ownership (i.e., account establishment fee) pursuant to other District provisions. All fees and charges will be due and payable to the District subject to the standard billing policies. Non-payment of these fees and charges by the owner may result in disconnection of the service and other collection/delinquency procedures established by the District.

Temporary Construction Water Service: Temporary construction water services will be allowed for owners and/or contractors who have a one-time short-term need for construction-related water on unimproved lots. The period of the temporary service under this provision shall run until a Certificate of Occupancy on a building permit is subsequently issued for a property serviced by a temporary agricultural/irrigation meter, and ~~a~~ not to exceed ninety (90) days.

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Owners or contractors must submit a signed application at least forty-eight (48) hours prior to the requested service installation date. The District will charge the owner or contractor a fifty ($50) dollar installation fee. Additionally, if the service is to be in the contractor's name, the contractor must remit a deposit for three (3) times the base monthly charge in the service area prior to the service being installed. The owner or contractor must remit all fees and deposits to the District prior to installation of the service.

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The owner or contractor must notify the District at least forty-eight (48) hours (excluding weekends and Holidays) in advance for a request for termination of service. The owner or contractor is responsible for all charges related to the service through the date of termination in addition to a fifty ($50) dollar removal fee. Deposit monies will be applied to the final balance, if applicable, and a refund

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monies due or a request for additional payment will be made to the responsible party.

If the owner or contractor fails to pay District charges in accordance with District policy, the temporary meter will be removed, if applicable. No further services will be granted to an owner or contractor until payment is received by the District for all past due amounts, including applicable penalties.

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Amended by Resolution 2021-71, Sept.8, 2021
Resolution 99-55, October 13, 1999

Hydrant Meter Service: The fill station and hydrant meters are available only to provide temporary construction water for construction use, for a period not to exceed ninety (90) days, unless an approved extension is approved by the General Manager. The customer is required to fill out and sign an application for service which includes a description of intended water use, location of where the construction is to occur, and an estimate of anticipated usage. The application includes a service agreement establishing liability for any accrued costs for water consumption/base daily charges, ~~District staff and administration,~~ damage to District infrastructure, and unscheduled maintenance to the District water system, including flushing, due to improper use of hydrant meter equipment/facilities. Use of this water for irrigation, landscaping, or resale is strictly prohibited. Only District provided hydrant meters are permitted and all water pulled from a hydrant can only be used on the location specified on the application.

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The applicant, or their contractor, must be able to show proof of an approved hydrant meter service to draw water from a hydrant.

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If at any time the District declares mandatory conservation measures are in effect, the District may limit the use by which hydrant meter pulls may be used for.

Installation fees and deposits are required in accordance with the Hydrant Meter/Fill Station Service Fees chart below. Once an application has been authorized by the District, service will be provided, subject to availability of staff, equipment, and facilities. Any unauthorized use of the water or District equipment will be subject to immediate termination of the service and could face being billed a water loss fee of two ~~-~~ hundred ($200) dollars and can be held liable for up to two-thousand five hundred (

$2,500) dollars ~~per day for violating the Business & Professional Code Section 17200~~ per violation in civil penalties, in an action brought by an authorized public prosecutor, for violating Business and Professions Code section 17200 et

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seq., in addition to any additional fees due to damage caused to the District's property due to unlawful diversion.

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Hydrant meter or fill station services will be billed monthly at the irrigations/Landscape/Other consumptive rate and are subject to the same collection policies and procedures as other water and sewer services in their applicable service areas. Rates established for their usage are included in the Hydrant/Fill Station Service Fees chart below.

The customer will also be charged for any other costs as defined in the service agreement above. After payment is received in full for all charges related to this service, the unused portion of the security deposit will be returned to the customer. The General Manager or his designated representatives can provide written authorization for exceptions to this policy not to exceed one thousand ($1,000) dollars.

Charge Type	Payment Terms	Fill Station	Hydrant Meter
Security Deposit	Before Installation	None	$500
Installation Charge	Before Installation	$30	$50
Consumptive Rates	Monthly and/or Disconnection of Service	Irrigation/Landscape/ Other	Irrigation/ Landscape/ Other
Daily Base Charge	Monthly and/or Disconnection of Service	$7	$7
Removal Fee	Disconnection of Service	$30	$50

This policy will become effective for all hydrant meters as of its effective date.

Amended by Resolution 2021-71, Sept.8, 2021
Resolution 98-73 December 23, 1998

B. Deposits. This District, in connection with deposits, as a condition for water and/or sewer service, makes a distinction between the direct billing of the owner of real property within the District as the service address and the bill of the non-owner. Deposits are originally required only when the direct billing is to the non-owner. Deposits are required of all applicants whose service has been disconnected for non-payment of charges.

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Each non-owner customer receiving service who is to be billed directly will be required to pay an account establishment fee and a deposit equal to ~~the~~ two (2) times the current ~~bi~~monthly base rate for service(s) provided to the parcel.

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Accounts that have been disconnected will be required to submit a deposit equal to two (2) times the current ~~bi~~monthly base rate for service(s) provided to the parcel.

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Upon establishment of one year's credit during which a customer has paid all bills promptly without disconnection for nonpayment, the deposit will be applied to the customer's account or refunded upon final notice of discontinuation of service by the customer.

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Amended by Resolution 2021-71 on Sept.8, 2021
Resolution 2019-81
Dec 11, 2019

C. Notice to Owner of Delinquent and Unpaid Charges re Lien on Property. The District will notify the holder of title to land whenever delinquent and unpaid charges for water and/or sewer service, which could become a lien on such property pursuant to Section 31701.6 of the Water Code, remain delinquent and unpaid for sixty (60) days.

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Resolution 2492, January 25, 1970
Amended by Resolution 1883, July 30, 1975
Amended by Resolution 98-38, June 10, 1998

D. Suspension of Services. The District will not allow suspension of monthly water and/or wastewater charges under normal circumstances unless one of the following has occurred to a residential property owner:

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- Damage to seventy-five (75%) percent or more of the structure that renders the structure uninhabitable.
- Issuance by a government agency of a "non-occupancy" order for a structure.
- Other circumstances beyond personal control of an owner that prevents habitation of a structure or use of the District water and/or wastewater systems for at least six (6) months.

Disconnection of water and wastewater services as a result of non-payment of fees by owner does not cause suspension of monthly service fees covered by this policy. Suspension of services requires disconnection of water on the impacted property and all outstanding fees paid, including a disconnection fee. The suspension period shall be a minimum of six (6) months but may not exceed two (2) years. Such suspension shall require the approval of the District's General Manager. The Suspension shall cover all services provided by the District, both water and wastewater, for the same duration.

The owner must notify the District at least forty-eight (48) hours (excluding weekends and Holidays) and pay the current restoration fee prior to District staff restoring services. If an owner does not restore services within two (2) years, automatic termination of the suspension will occur, and the restoration fee will be added to the account and monthly service and consumption charges will be reinstated.

If any District facilities are found to be in use during such time as service has been suspended, owner will immediately become liable for the monthly water and wastewater service and consumption charges that would have been billed during the suspension period.

E. Termination of Services

Summary:
This District policy allows a residential or commercial customer to permanently terminate water and/or wastewater service(s), limited to only certain specific circumstances contained herein, severing the District's obligation to provide service(s) to the parcel. Once a termination occurs, a reinstatement of service(s) depends on the availability of capacity and requires payment of prevailing capacity fee(s).

Termination:
The legal-deeded owner of a vacant residential or commercial parcel may apply to terminate their water and/or wastewater service(s) by filing a Termination of Service(s) Request form with the District. This form includes acknowledgment by the customer that after termination, the District is no longer obligated to provide any water and/or wastewater service(s) to the customer's property. Termination of water service is conditioned on the parcel being vacant without any habitable

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structures, and no recorded use of water for the previous two (2) ~~(two)~~ years. If the property has water and wastewater service, both must be terminated concurrently.

Legal-deeded property owners are permitted to apply to terminate irrigation/landscape meters that have not been used for the previous two (2) ~~(two)~~ years. Owners of commercial properties must acknowledge that terminating an irrigation meter could lead to an increase in wastewater fees.

Upon receipt of the Termination of Service Request form, the District General Manager will determine if the parcel qualifies for termination under this Policy within sixty (60) days. Within the first six (6) ~~(six)~~ months of this policy's adoption, the General Manager has the discretion to allow a customer to terminate service if the customer provides a reasonable explanation for water usage on the account within the previous two (2) ~~(two)~~ years.

In order for the termination of service(s) to be approved, the customer must pay a three hundred ($300) dollar administrative fee and an Operations fee (this fee varies by connection) to have the water meter removed and/or the wastewater connection capped. Upon termination of service(s), the District will not refund any capacity fee(s), as they are attached to the property previously served. However, a credit for the original capacity fee(s) paid when the property first connected to CCWD's water and/or wastewater system will remain attached to the property and will be credited toward full capacity fee(s) owed at the time the property owner decides to apply to reinstate service. Transfer of capacity fees per Article III, Section 21E.1 of CCWD's Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service is not allowed once service has been terminated.

If the termination of service is approved by CCWD, the applicant is responsible for fees associated with the District recording a Notice of Termination of Water and/or Wastewater Services with the County Clerk Recorder's Office stating the water and/or wastewater service(s) have been terminated to this property.

Termination of service(s) will only occur once the applicant has paid the District all required fees. Once the termination of service work is performed by District staff a final billing for service through the physical termination date will be sent out to the legal deeded owner and all District billing and collection policies will be applied.

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Reinstatement:
Once a parcel's residential or commercial water and/or wastewater service has been terminated, the parcel is eligible to be reconnected to the District's water and/or wastewater service no sooner than a period of three (3) years after termination, unless the property is sold, in which case the new legal-deeded property owner can apply for service reinstatement once they meet the District's requirements for a new water and/or wastewater connection. Service reinstatement is not guaranteed and depends on the availability of capacity within the water and/or wastewater system(s). To request reinstatement of water and/or wastewater service(s) for property that previously received treated water or wastewater from the District, the legal-deeded property owner must file a Reinstatement of Service(s) Request form, and this request will be approved or denied by CCWD's General Manager within sixty (60) days of receipt. The applicant must pay a three hundred ($300) dollar administrative fee, an Operations fee to reinstate service (this varies by connection) and capacity fee(s). The capacity fee(s) owed will be the amount that would be required for new service(s) to the applicant's property on the date of reinstatement, less any previously paid capacity fee(s) attached to the property.

If the service reinstatement is approved by CCWD, the applicant is responsible for fees associated with the District recording a Notice of Reinstatement of Water and or Wastewater Services with the County Clerk Recorder's Office stating the water and/or wastewater service(s) is being reinstated.

Reinstatement of service(s) will only occur once the applicant has paid the District all required fees.

Appeals:
The General Manager's determination on termination and reinstatement requests is final unless a customer appeals the determination to the Board of Directors within thirty (30) days of the District's written denial.

Amended by Resolution 2021-71 Sept.8, 2021
Resolution 2019-61
August 14, 2019

E.1 Granting and Accepting Capacity Transfers.

Owners of two parcels within the same CCWD service area as defined below may

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request the ability to transfer capacity from one lot to another provided:

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a. Both lots involved must be:

   i. Owned in fee title per County of Calaveras Recorder's Office by the same owner at the time capacity transference.

   ii. Located in the same CCWD service area hereby defined as an area served by the same CCWD distribution and/or collection plants.

   iii. Designated for single family residential construction only. Capacity transfer is not available to multi-unit or commercial properties.

   iv. Adjacent to existing distribution and/or collection system infrastructure. Capacity transfer is not available where distribution or collection system extensions are required.

   v. Current on all fees or assessments owed to any other jurisdiction, association or individual, including CCWD.

   vi. Without recorded water usage.

b. Lot transferring capacity:

   i. All original fees are documented as paid.

   ii. Current CCWD account in good standing.

   iii. No structures on the property.

   iv. With transfer forfeits all rights to water and/or sewer capacity to receiving lot.

   v. May not subsequently receive capacity via this process.

c. Lot receiving capacity:

   i. No account established with CCWD.

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ii. No structures on the property.

iii. With transfer receives all rights to water and sewer capacity from transferring lot.

iv. May not subsequently transfer capacity via this process.

E.2 A Capacity Transfer Agreement (**Agreement**) shall be executed by a qualifying Owner and the CCWD General Manager.

a. All costs associated with the **Agreement** including but not limited to recordation of transfer against both lots, meter relocation/connection and administrative fees shall be the complete responsibility of the requesting property owner and paid prior to execution of the Agreement.

b. The **Agreement** shall be recorded at the Calaveras County Recorder Office against both lots involved after execution.

c. The transfer will go into effect after said recordation.

E.3 Implementation of this policy shall be subject to the discretion of the General Manager.

Resolution 2014-17, March 12, 2014

F. Foreclosure Abatement. The District will allow a legally deeded residential property owner, as evidenced through the Calaveras County Recorder's Office, to have their meter locked off at customer request as a result of pending foreclosure. This request must be submitted in writing to the District and would be a one-time courtesy per legally deeded residential property owner. The owner would be required to bring the account current and pay the current lock off fee. Owner will also be responsible for signing a District agreement that would detail the parameters of the Foreclosure Abatement process and consequences of breaching said agreement. The District will require documentation from the owner's lending institution of a default notice or legal notice of foreclosure on customer's property. After the above criteria have been met, all charges (including base rate, fees, and all penalties) would immediately stop as of the date the water service is locked off.

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The meter will be locked off for a minimum of two (2) months and a maximum of six (6) months. If, during that period, the property is transferred to a new legally deeded owner that is recorded through the County Recorder's Office, automatic termination of the Foreclosure Abatement agreement will occur and monthly service and consumption charges will be reinstated, making the legally deeded

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owner immediately responsible for all normal fees and charges associated with District service, except for those past fees and charges waived by virtue of the Abatement Program. If an owner participates in the Foreclosure Abatement program and still owns the property after six (6) months, service and consumption charges will be reinstated, making the legally deeded owner immediately responsible for all current fees associated with receipt of service from the District, including but not limited to a restoration fee.

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If any District facilities are found to be in use by any means (including a cut lock) during such time as service has been in Foreclosure Abatement, owner will immediately become liable for the monthly water and wastewater services and consumption charges that would have been billed during the Foreclosure Abatement agreement period and the agreement with the District for Foreclosure Abatement will be null and void.

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If an owner wishes to opt out of the Foreclosure Abatement agreement before the two (2) month minimum period, the owner will immediately become liable for the monthly water and wastewater services and consumption charges that would have been billed during the Foreclosure Abatement period and the agreement with the District for Foreclosure Abatement will be null and void.

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The General Manager may provide written authorization for exceptions to this policy where equitable under all of the circumstances, provided that any foregone revenue to the District is at or below three hundred ($300) dollars. ~~00~~

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Adopted May 21, 2008, Resolution No. 2008-36

G. Domestic Well Assistance Program: On a limited basis, potable water fill stations will be made available for eligible Calaveras County homeowners who do not have access to public water and are experiencing water quality and/or failing well issues. The water at the District fill stations is potable; however, the District is not responsible or liable in any way for the quality of the water or its use once it is taken from the fill station. The Domestic Well Assistance Program is only available

to owners of property located in Calaveras County and has a residence or structural improvement on the parcel. Should a recipient require the services of a Third-Party Water Hauler, the ~~Third Party~~Third-Party Water Hauler must complete a Chain of Custody form each time water is pulled from a fill station verifying that the approved DWAP recipient received the water, and the form must be returned to the District within forty-eight (48) hours from pulling water. Failure to return the form with the recipient's signature will result in disqualification of the water hauler from pulling any additional water from the station and may result in fines.

The customer, or their Third-Party Water Hauler, must be able to show proof of an approved Domestic Weel Assistance Program service to draw water from a fill station.

Should service become available to the served address, Section A1 will go into effect requiring connection to the applicable water and/or wastewater system. Should the access, water quality, or failing well issues resolve, access to the program will be terminated.

Water supplied by the Domestic Well Assistance fill stations is for "personal use" only. Use of this water for irrigation, landscaping or resale is strictly prohibited, and may only be used to supply water on the parcel included on the application for service. Unauthorized use of Domestic Well Assistance water can result in termination of the customer's access to the program. Additionally, any entity or person connecting to or obtaining water from a fill station without authorization falls under the Tampering and Unlawful Acts regulation. Said person will be billed (a) a water loss fee of ~~one~~ two hundred ($200) dollars, and can be held liable for up to two-thousand five hundred ($2,500) dollars ~~per day for violating Business & Professions Code Section 17200,~~ per violation in civil penalties, in an action brought by an authorized public prosecutor, for violating Business and Professions Code section 17200 et seq., and (b) any additional fees due to damage caused to the District's property due to the unlawful diversion.

Additionally, any person who, with intent to obtain for himself or herself water without paying the full lawful charge therefore, or with intent to enable another person/business to do so, or with intent to deprive any utility of any part of the full lawful charge for utility services it provides, commits, authorizes, solicits, aids, or abets any of the following shall be guilty of a crime (misdemeanor).

(1) Diverts or causes to be diverted water services, by any means.

(2) Prevents any utility meter, or other device used in determining the charge for services, from accurately performing its measuring function by

tampering or any other means.

(3) Tampers with any property owned by or used by the District to provide water services.

(4) Makes or causes to be made any connection with or reconnection with property owned or used by the District to provide water without the authorization or consent of the District.

(5) Uses or receives the direct benefit of all or a portion of utility services with knowledge or reason to believe that the diversion, tampering, or unauthorized connection existed at the time of that use, or that the use or receipt was otherwise without the authorization or consent of the utility.

(6) Provides access to District water to any unauthorized user by means of water delivery, sharing of access key, or duplication of access key.

All of the above are prosecutable offenses and the District reserves the right to exercise any and every remedy permitted by law in the event of tampering with the District's lines and/or equipment. The District will cause the prosecution of all violations of Sections 498, 624 or 625 of the State of California Penal Code, Section 17200 under Business & Professions Code, and all Ordinances or Regulations which make the interference with the orderly supply of water to the District's users a crime.

The District will not be responsible for any loss or damage caused by any negligence or wrongful act of a customer or his/her authorized/unauthorized tenant in operating or using any or all facilities, appliances or equipment for which water is supplied and is not responsible for water quality once drawn from the fill station.

Domestic Well Assistance Program fill station services will be billed quarterly, in advance, and are subject to the same collection policies and procedures as other water services. Rates and fees for the Domestic Well Assistance Program are included in the General Fee Schedule, attached to, and made a part hereof.

Charge Type	Payment Terms	Fee
Application Fee	Before Access	$35
Deposit	With Application	$50
Water Service Rate	Quarterly	$30
Lost Key Charge	As Required	$50

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Removal Fee	Disconnection of Service	None

~~Removal Fee~~	~~Disconnection of Service~~	~~None~~

This policy will become effective for all Domestic Well Assistance Program customers as of its effective date.

Amended by Resolution 2021-71 Sept.8, 2021
Resolution 2017-63
October 11, 2017

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Section 22. Delinquent Water and/or Wastewater Service Bills and Notification of Discontinuation of Water and/or Wastewater Service.

22.00.01 Delinquent Account Definition

A delinquent account is any account ~~that remains unpaid~~ with an unpaid balance by the close of business twenty-five (25) calendar days after the date of issuance of the ~~water or wastewater~~ applicable monthly water and/or wastewater bill, unless the customer has made alternative payment arrangements. The due date shown on each bill shall be the twenty-fifth (25th) calendar day after the date of issuance of the bill.

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22.00.02 Late Fees

The District will make a reasonable effort to notify the customer of an impending late fee prior to the due date identified on the bill. The means of notification will be based on the information the District has on file on the customer account (text, phone, email). The District assumes no responsibility for phone or email contact information that has not been kept up to date by the customer.

If a bill is not paid by the due date, the District will apply a ten ~~dollar~~ ($10) dollar~~,~~ first late fee to the delinquent account ~~and mail a reminder notice to the customer explaining the delinquent amount and providing a due date that is ten (10) days from the date printed on the notice~~. A late fee shall be assessed no more than once on any monthly bill.

Any balance of twenty ($20) dollars or less may be carried over, and added to, the next monthly billing period without being assessed a late fee or incurring further collection action.

22.00.03 Alternative Payment Plans

Residential customers who are unable to pay for water or wastewater service(s) within the standard payment period may request an alternative payment plan to avoid discontinuation of service(s). CCWD will consider the request and make a determination as to whether the alternative payment plan is warranted. Alternative payment plans will only be granted under the following circumstances:

22.00.03.1 Threat to Health or Safety

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An alternative payment plan may be approved if the discontinuation of water or wastewater service will be life threatening or pose a serious threat to the health and safety of any resident. The request for an alternative payment plan must include certification from a

primary care provider (per WIC § 14088(b)(1)(A)) that the discontinuation of service will be life-threatening or pose a serious threat to the health and safety of any resident.

22.00.03.2 Financial Inability to Pay

The customer or occupant must demonstrate that they are financially unable to pay for residential service(s) within the normal billing cycle. Acceptable forms of income verification are:

- Documentation from The Resource Connection, showing any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants and Children.
- The customer or occupant declares the household's annual income is less than two hundred (200%) percent of the federal poverty level.

Payment plans that extend into the next monthly billing period are considered an amortization plan, which must be in writing and signed by the customer. Such a plan will amortize the unpaid balance over a period agreed upon by the District and the customer not to exceed twelve (12) ~~(twelve)~~ months from the date of the payment plan agreement. The amortized payments will be combined with and subject to the due date of the customer's regular monthly bills. The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an existing amortization plan. Failure to comply with the terms of an amortization plan ~~or becoming delinquent on the current charges for more than sixty (60) days,~~for sixty (60) days or more, or failure to pay current charges for sixty (60) days or more while under an amortization plan, will result in the issuance of a written disconnection notice, which will be ~~physically delivered to the premises~~ posted in a prominent and conspicuous location at the premises no fewer than five (5) ~~(five)~~ business days in advance of discontinuation of service.

22.00.04 **Appeals**

A customer may dispute a bill or request an adjustment of charges through the District's Customer Service Department, within twenty-five (25) days following the billing date. If the ~~External Affairs~~ Business Services Manager denies the request or fails to respond within fifteen (15) days of the District's receipt of the appeal, the customer may submit a written appeal to the Director of Administrative Services within thirty (30) days of the date the account becomes delinquent, or ten (10) days after the receipt of the denial from the ~~External Affairs~~ Business Services Manager, whichever is later.

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The Director of Administrative Services will issue a written determination within fifteen (15) days. If the Director of Administrative Services denies the appeal, the customer may appeal to the General Manager in writing within fifteen (15) days of the date the Director of Administrative Service's determination. The General Manager will provide the customer with a final decision on the appeal within thirty (30) days from the date the written request was received. Late appeals will not be considered.

The District will not discontinue water and/or wastewater service to a customer if there is a pending appeal. If the final appeal is denied by the General Manager, a notice will be issued to the occupant at least five (5) days prior to the discontinuation of service.

22.00.05 Fee Waivers

"In good standing" is defined as an account that does not have more than one past-due fee during the period of time being reviewed.

Once every two (2) years, District Customer Service Department staff may waive the ~~reminder notice~~ past-due penalty on customers' accounts, if the account is in good standing, no previous late fees have been waived within the past two (2) years and the account balance has been brought current.

Once every five (5) years, District Customer Service staff may waive the second past-due penalty on customers' accounts if the account is in good standing, no previous second past-due fees have been waived within the past five (5) years and the account balance has been brought current.

APPLICATION FOR SERVICE RATES AND BILLING

Additional adjustments that are requested by the customer will fall under Ordinance 2000-03 Credit Adjustment Policy.

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APPLICATION FOR SERVICE RATES AND BILLING

22.01 Service Discontinuation

22.01.01 Service Discontinuation Fee

A customer will be charged a fifty ~~dollar~~ ($50) dollar fee for each occasion that an employee of the District is dispatched to disconnect or shut off a service line pursuant to the provisions of Section 22.

22.01.02 Service Disconnection Notifications

A. Residential Accounts

The District will not discontinue water service unless payment by the residential customer has been delinquent for at least sixty (60) days, measured from the date the oldest unpaid bill became delinquent under Section 22.0.01. The District will make a reasonable, good faith effort to contact the customer by phone or by email at least ten (10) ~~(ten)~~ calendar days, and in no event fewer than seven (7) business days, before discontinuation of service(s) for nonpayment and a second late fee will be assessed in the amount of twenty ($20) dollars on the account. When the District contacts the customer by telephone, it will offer to provide the District's written policy on discontinuation of residential service for nonpayment and to discuss options to avert discontinuation, including alternative payment schedules, deferred payments, minimum payments, amortization of the unpaid balance, and petition for bill review and appeal. ~~If the call or email is unsuccessful,~~ If the District is unable to reach the customer by telephone, a written warning of discontinuation of service(s) will be ~~sent~~ mailed, no fewer than seven (7) business days before discontinuation to ~~to~~ the mailing address designated on the account. If the mailing address and the address of the property to which water service is provided are different, the written warning also will be mailed to the service address, addressed to "Occupant," and a door tag will be placed in a conspicuous area at the service address. The written disconnection notice will include:

- Customer's name and address
- Amount of the delinquency
- Date by which payment arrangements are required to avoid discontinuation of service
- Description of the process to apply for payment arrangements and for an extension of time to pay, and the procedure to request a deferred, reduced, or alternative payment schedule, including amortization of the delinquent charges

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APPLICATION FOR SERVICE RATES AND BILLING

- Description of the process to dispute or appeal a bill
- District contact information
- Tenants right to become customer

B. Non-Residential Accounts

The District will not discontinue water service unless payment by the non-residential customer ~~have~~ has been delinquent for at least ~~T~~thirty-five (35) days. The District will make a reasonable, good faith effort to notify the customer forty-eight (48) hours in advance of disconnection of water service for non-payment. The notification will be based upon the preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone. If contact is unsuccessful, a door tag will be placed in a conspicuous area.

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22.01.03 Notice to Residential Occupants in Individually Metered Residence

A tenant/occupant has the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address. In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide verification ~~of tenancy in the form of a signed owner authorization form or a rental agreement~~that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling, which may include a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Civil Code section 1962. The District will not consider requests from occupants/tenants to become customers, unless the account associated with their place of residence is in arrears and subject to water disconnection. When the owner, manager, or operator of an individually metered dwelling is the customer of record and the account is in arrears, the District will make every good faith effort to inform the residential occupants, by written notice, that service will be terminated, at least ten (10) days before termination (or at least seven (7) days before termination in the case of a detached single-family dwelling), and that the occupants have the right to become customers of the District as provided in this section.

Occupants who become CCWD customers under the provisions of this policy will be required to pay a new account establishment fee and deposit per Article III, Section 21 B. of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service.

The act of a residential dwelling occupant becoming a CCWD customer~~,~~ does not alleviate the legal-deeded owner from being ultimately responsible for all fees and charges related to the property. Legal-deeded property owners who enter into landlord-tenant agreements are responsible for all delinquent charges pertaining to the property and will be subject to lien and/or collection through property tax rolls, per California Water Code, Division 12, Part 7, Chapter 2, §31701.5, and California Health and Safety Code, Division 5, Part 3, Chapter 6, §5473.

22.01.04 Notice to Tenants/Occupants in a Multi-Unit Complex Served through a Master Meter
~~22.01.04~~

The District will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of each residence, when the water service account is in arrears and subject to disconnection at least ten (10 ~~(ten~~)

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days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at the address(es) served by the master meter. If one or more of the occupants are willing and able to assume responsibility for the subsequent charges for water service to the satisfaction of the District, or if there is a physical means, legally available to the District, of selectively terminating service to those occupants who have not met ~~et~~

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the requirements for service, the District will make service available to the occupants who have met those requirements and paid associated capacity, connection, and new account establishment fees.

If the written disconnection notice is returned through the mail as undeliverable, the District will make a reasonable, good faith effort to visit the residence and leave a notice of discontinuation of service for non-payment.

22.02 Service Reconnection

A disconnected service line will only be reconnected when payment of all charges and indebtedness for water and/or wastewater service(s) has been made. A fifty ~~-dollar~~ ($50~~.00~~) dollar fee will be charged for each such reconnection during normal business hours. A higher fee will be charged if reconnection is requested outside of normal business hours, not to exceed one-hundred fifty ($150)~~.00 (one hundred and fifty) through 2020. After hours~~ dollars. ~~r~~Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning July 1, 2021. Notwithstanding the foregoing for a residential customer who demonstrates household income below two hundred (200%) percent of the federal poverty line as provided in Health and Safety Code section 116914, reconnection fees shall not exceed the amounts permitted by that section or the actual cost of reconnection, whichever is less, and the District will waive interest charges on delinquent bills once every twelve (12) months.

22.03 Returned Payments, Unpaid Credit Card Charges, Unhonored ACH Bank Payments, Stopped Payments, Disputed Payments, Over and Underpayments.

For each payment of water and/or wastewater service(s) that is returned unpaid to the District by its financial institution for any reason including customer error, a twenty-five ~~-dollar~~ ($25) dollar charge will be added to that account.

Once a payment has been returned by a financial institution, the District will require payment by certified funds (no checks accepted) or credit card for that account for the following twelve (12) ~~-~~ month period. If payment is denied twice within a twelve (12) ~~-~~ month period, regardless of payment method, the District will require payment by certified funds or credit card for the following twenty-four (24) months.

Payments made to ~~o~~an account in excess of one year of billed charges will be refunded to the customer.

22.04 Annual Review of Charges.

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All fees and charges outlined in this section may be reviewed annually for possible adjustments relative to actual costs involved with each notification or action.

22.05 Responsibilities and Authorities.

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The customer bears full responsibility for contacting the District regarding the status of any account for water and/or wastewater services immediately upon the receipt of any statement, bill, reminder, or any other notice from the District.

22.06 Tampering

Any person who, with intent to obtain water without paying the full lawful charge, or with intent to enable another person/business to do so, or with intent to deprive the Calaveras County Water District of any part of the full lawful charge for utility services it provides, commits, authorizes, solicits, aids, or abets any of the following will be guilty of a misdemeanor crime. All of the actions below are prosecutable offenses, and the District reserves the right to exercise any and every remedy permitted by law in the event of tampering with the District's lines, meters and/or equipment.

(1) Diverts or causes to be diverted water services, by any means.

(2) Prevents any utility meter, or other device used in determining the charge for services, from accurately performing its measuring function by tampering or any other means.

(3) Tampers with any property owned by or used by the District to provide water services.

(4) Makes or causes to be made any connection with or reconnection with property owned or used by the District to provide water without the authorization or consent of the District.

(5) Uses or receives the direct benefit of all or a portion of utility services with knowledge or reason to believe that the diversion, tampering, or unauthorized connection existed at the time of that use, or that the use or receipt was otherwise without the authorization or consent of the utility.

(6) Provides access to District water to any unauthorized user.

The District will cause the prosecution of all violations of Sections 498, 624 or 625 of the State of California Penal Code, Section 17200 under Business & Professions Code, and all Ordinances or Regulations which make the interference with the orderly supply of water to the District's users a crime.

The District will not be responsible for any loss or damage caused by any negligence or wrongful act of a customer or his/her authorized/unauthorized tenant

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in operating or using any or all facilities, appliances or equipment for which water is supplied.

Amended by Resolution 2021-71 Sept.8, 2021
Revised by Resolution 2020-12, February 12, 2020
Revised by Resolution 2019-82, December 11, 2019
Revised by Resolution 2017-14, March 22, 2017

Section 23. Responsibility of Service Account Transfers.

No sale or lease of the premises shall be construed as relieving any applicant for service from the payment of such charges until said payment has been made and the account transferred by application duly made as hereafter provided upon the books of the District to the name of the new owner.

Combined in Resolution 2021-71 Sept.8, 2021
Resolution 84-5, January 12, 1984

Section 24. Service Billing Procedure.

Bills for water and/or sewer service will be rendered ~~bi-~~monthly or as otherwise provided in Section 25A or 25B of Article III of these Rules and Regulations. Fixed service charges shall be billed monthly; water consumption charges will be billed based on the applicable meter-reading schedule.

Water meters will generally be read every other month in accordance with the District's established meter-reading cycles. Monthly billing shall not require a meter reading during each monthly billing period.

Until the Board adopts water consumption rates and tier thresholds stated on a monthly basis, water consumption charges shall be calculated for each meter-reading period using the consumption rates and tier thresholds set forth in the District's adopted rate schedule for that period and shall be billed on the monthly bill issued after the meter reading. Consumption shall not be divided between monthly bills, and tier thresholds shall not be adjusted, by reason of monthly billing.

Resolution 1460, September 20, 1972

Section 25.

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A. Meter Reading Procedure for Billings. Where service is metered, the meters will be read at ~~specified~~ intervals established by the District, generally every other month, for ~~the preparation of~~ regular, ~~bills as required for the preparation of~~ opening ~~bills~~, closing ~~bills~~ and special bills. Monthly bills may be issued without a meter reading in each monthly billing period. Consumption charges shall be based on actual readings or another method authorized by these Rules if actual readings are unavailable. Estimated consumption shall be calculated and reconciled as provided in Section 25B.

Combination of Meters: Each meter on a customer's premises will be considered separately and the readings of two or more meters will not be combined except where combination of meter readings is specifically provided for in the rate schedule, or where the District's operating convenience or necessity may require the use of more than one meter, or a battery of meters. In this case, the monthly minimum charge will be computed upon the resultant diameter of the total

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combined discharge areas of such meters, unless otherwise provided in the rate schedules.

B. Meter Reading Schedule. It may not always be possible to read meters on the same day of each ~~month~~scheduled meter-reading cycle, so a variance of about three (3) days will be allowed from one ~~month~~meter-reading cycle to another.

Variance in Meter Reading Schedule Due to Unusual Circumstances: If, because of adverse weather conditions or any condition beyond the control of the District, a meter cannot be read on a ~~bi-monthly~~regularly scheduled meter-reading cycle, the customer shall be billed for the average use of the prior three (3) ~~billing~~ actual meter-reading periods. When conditions again allow the reading of the meter, the amount of ~~average water charged for each month~~ estimated water consumption previously billed shall be subtracted from the total amount of water used. All water used in excess of that ~~average water use charge~~ previously billed estimated consumption will be billed in accordance with applicable rate schedules. If the estimated consumption previously billed exceeds actual consumption for the period, the difference shall be credited to the customer's account.

Section 26.

A. Special Billing Computation. Opening and closing bills rendered for a period of less than a full month will be computed in accordance with the applicable schedule prorated on the basis of the ratio of the number of days in the period to the average billing period of sixty (60) days, or on the amount of water and/or sewer service used, whichever is greater. No proration or refund of service charges will be made.

B. Prorating for Special Billings. Should the total period of service be less than one month, the bill shall be computed in accordance with the applicable schedule prorated on the basis of the ratio of the number of days in the period to the average billing period of ~~60~~thirty (30) days, or on the amount of water and/or sewer service used, whichever is greater. Notwithstanding the foregoing, any water consumption tier thresholds in the District's adopted rate schedule that are stated for a bimonthly meter-reading period shall be prorated on the basis of the ratio of the number of days in the period to sixty (60) days. No proration or refund of service charges will be made.

Section 27. Meter Testing.

Upon making written application and paying the sum of eighty-five ($85) dollars,

any customer may have the accuracy tested of the meter through which water is being furnished to his/her premises by the District. If the meter is found to register more than two (2%) percent in excess of the actual quantity of water passing through, correction shall be made, and the sum of eighty-five ($85) dollars refunded to the customer.

Amended Resolution 2021-71 Sept.8, 2021
Resolution 1867

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June 18, 1975

Section 28. Account Establishment Fee Applicability.
An Account Establishment Fee will be applicable to the following service conditions:

1. Establishment of a new account for water only, sewer only, or an account for both water and sewer service.

2. Transference of an existing account to new ownership.

3. Re-establishment (turn-on) of an existing water service account which was suspended due to customer request. This does not apply to accounts that are re-established after being turned off for non-payment.

Resolution 93-07
February 11, 1993

Section 29. Sewer Service Charge Rebate Policy.

Rebates will be granted to new sewer customers for the monthly sewer charges billed during periods of non-use of the sewer system while constructing a new dwelling/structure. The rebate shall not exceed the equivalent of six (6) months' sewer charges and is contingent upon customer meeting eligibility requirements listed below.

Conditions of Eligibility:

1. All capacity and connection fees for the new service must be paid after the effective date of this resolution.

2. New connections must be for new dwelling/structure where there is no use of the sewer system during the construction period.

3. Customer must notify Customer ~~s~~Service at the time of physical connection to the sewer system so that the District may perform an inspection and approve the connection.

4. Customers desiring rebate must present a copy of the final Certificate of Occupancy issued by the Calaveras County Building Department within one-

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hundred eighty (180) days of issuance of the Certificate of Occupancy with an application for the rebate.

5. Customer account must not be in delinquent status.

Rebates will be prorated based on the date indicated on the Certificate of Occupancy and applied as credits to the customer's account subject to approval by the Customer Service Manager or a designated account representative.

The General Manager or designated representative can provide written authorizations for exceptions to this policy. All provisions of prior ordinances and resolutions of CCWD not inconsistent with this resolution shall remain in force and effect.

Resolution 2002-63, July 31, 2002

Section 30.

1. Application for service, Fee Quotes

Requests for general information on fee schedules within an area serviced by a District facility are free of charge. Quotes for new service capacity and connection fees will be given to all interested parties requesting them for specific properties wishing to connect to the established facilities. The applicant shall fill out an application that will establish the type of residence/commercial business that is to use the new service(s) prior to a quote being provided.

Additionally, a fifteen (\$15).00 ~~(fifteen~~ dollar~~)~~ and a forty-five (\$45).00 ~~(forty-five~~ dollar~~)~~ application fee is required to be paid for residential and commercial quotes, respectively, prior to the issuance of a quote for capacity charges and connection fees for new services.

Application fee will be refunded to original applicants who pay all connection charges and capacity fees and submit a County building permit within ninety (90) days of the new service quote.

Material differences between the information on an application and the subsequent actual use of the CCWD services may render the quote invalid, as determined by the General Manager or any of his authorized designees.

2. Rates, Tolls, Fares and Charges

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The establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other changes by this Ordinance are for the purposes of meeting

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operating expenses, including, without limitation, employee wage rates and fringe benefits, purchasing or leasing supplies, equipment, or materials, meeting financial reserve requirements, or obtaining funds for capital projects necessary to maintain or expand service to District customers.

Replaced by Ordinance 2003-01
Rescinded Resolution No. 2002-80, December 10, 2002
Incorporating Ordinance No. 2002-01, November 13, 2002

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AGENDA
ITEM
3d

Agenda Item

DATE: November 17, 2026

TO: Finance Committee

FROM: Kelly Zahniser, Director of Administrative Services

SUBJECT: Monthly Billing Project Update

RECOMMENDED ACTION:

Staff recommend that the Finance Committee receive the Monthly Billing Project update and provider comments or feedback, as appropriate.

BACKGROUND

The District continues to advance the Monthly Billing Project in accordance with the Board of Directors' direction to transition from bi-monthly to monthly utility billing. The project is intended to improve customer service, facilitate household budgeting, and encourage timely payment of utility charges.

Customers will receive a utility bill each month; however, meter reading and water consumption billing will remain bi-monthly. This approach provides a more regular billing schedule without increasing the frequency of meter reading and associated field activities.

The transition requires coordination among Customer Service, Finance, Information Technology, and Operations, as well as modifications to the District's utility billing system, customer communications, internal procedures, and applicable Rules and Regulations.

The Monthly Billing Team continues to work toward the anticipated January 2027 implementation. This report provides the Finance Committee with an update on project milestones, implementation readiness, and efforts to minimize additional costs.

DISCUSSION

Current efforts are focused on system testing, customer outreach, staff preparation, policy updates, and cost mitigation.

1. Customer Outreach and Communication

The District has initiated its customer outreach campaign to provide advance notice of the transition and explain how monthly billing will operate.

Information is being distributed through social media and the District's website. A postcard mailer is being prepared for distribution in December 2026.

Customer communications will address the following:

- The anticipated January 2027 implementation of monthly billing.
- The distinction between monthly billing and bi-monthly meter reading.
- How water consumption and applicable service charges will appear on monthly statements.
- Changes to billing frequency, payment due dates, and customer payment schedules.
- Available payment methods, including automatic bank drafts and electronic payment options.
- Opportunities to enroll in paperless billing and electronic notifications.

Customer education will remain a priority throughout implementation, particularly regarding the distinction between monthly bills and bi-monthly consumption charges.

2. Technology and Utility Billing System Configuration

Tyler Technologies has completed the initial system configuration necessary to support the transition to monthly billing.

District staff continue to work with Tyler Technologies to test and validate the updated configuration before implementation.

Testing includes billing calculations, account balances, payment due dates, statement generation, and the treatment of water consumption charges under the existing bi-monthly meter reading schedule.

Staff are also evaluating the interaction of the revised billing cycle with payment processing, delinquency management, account adjustments, and customer notifications.

Testing will continue prior to implementation to identify and resolve potential issues and minimize billing errors.

3. Customer Service Preparation

Customer Service staff are preparing for the transition by verifying customer contact information, encouraging paperless billing enrollment, and expanding opportunities for electronic communications.

Staff are developing customer service resources to ensure representatives can consistently explain billing frequency, consumption charges, payment options, and account management.

4. Policy and Procedure Updates

The transition requires amendments to Article III of the District's Rules and Regulations, along with updates to internal procedures and customer-facing documents.

Proposed revisions address billing frequency, payment due dates, delinquent accounts, late-payment penalties, customer deposits, and other provisions affected by monthly billing.

In addition to the Rules and Regulations, staff are reviewing internal operating procedures, billing forms, customer notifications, and payment processing practices to identify changes necessary for implementation.

The proposed amendments are being presented separately to the Finance Committee on November 17 for review and comment. Staff anticipate incorporating Committee feedback into the final version for consideration and adoption by the Board of Directors at its December meeting, prior to implementation.

5. Free Way 2 Pay – Automatic Bank Draft Program

The District's Free Way 2 Pay automatic bank draft program is scheduled to launch December 1, 2026, in advance of the monthly billing transition.

The program allows customers to authorize automatic withdrawal of utility payments directly from a designated checking or savings account on the bill due date, without a District payment processing fee.

The program is intended to improve customer convenience, encourage timely payments, and reduce reliance on more costly payment methods.

Staff have developed an enrollment authorization form and are establishing procedures for enrollment, bank account verification, changes, and cancellations.

Customer Service and Finance staff are coordinating responsibilities to maintain appropriate internal controls throughout the enrollment and payment process.

The District will promote Free Way 2 Pay through its website, customer communications, and direct customer interactions. Increased participation, particularly when combined

with paperless billing, may help offset a portion of the additional administrative costs associated with monthly billing.

6. Implementation Schedule and Next Steps

The first monthly bills are anticipated to be issued in January 2027.

Over the next several weeks, staff will focus on completing system testing, distributing customer outreach materials, launching Free Way 2 Pay, preparing staff for the revised billing process, and finalizing policy amendments for Board consideration in December.

A similar project update will be presented to the Board of Directors on November 18, 2026. Staff will continue to monitor implementation readiness and report significant issues or changes in the project schedule.

FINANCIAL CONSIDERATIONS

Staff continue to refine the estimated financial impact of monthly billing and identify opportunities to minimize additional costs to the District's operating budget. Increasing participation in lower-cost payment methods and electronic billing remains a priority.

These efforts include:

1. Customer education and outreach regarding available payment options.
    - Promoting the District's Free Way 2 Pay.
    - Expanding the use of the new Text-to-Pay for convenient electronic payments.
2. Implementation of additional customer service enhancements, such as:
    - Payment reminders by email or text.
    - Increasing participation in Paperless Billing.
    - Improved online account and payment instructions.

RECOMMENDATIONS

Staff request that the Finance Committee receive the Monthly Billing Project update and provide comments or feedback, as appropriate, prior to the November 18, 2026 Board of Directors meeting.