

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

May 13, 2024

CALL TO ORDER 5:00 p.m.

PLEDGE OF ALLEGIANCE

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

PUBLIC COMMENT NOTICE

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

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

Via Web: <https://irwd.webex.com/irwd/j.php?MTID=m5fc1735966012302d7dea60f165bb31d>

Meeting Number (Access Code): 2480 241 8846

Meeting Password: ZZcJxPua632

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

Public comments are limited to three minutes per speaker on each subject. If you wish to address the Board of Directors on any item, you may attend the meeting in person and submit a “speaker slip” to the Secretary. Forms are provided outside of IRWD’s Board Room. If attending via Webex, please submit your request to speak, or your comment, via the “chat” feature and your remarks will be read into the record at the meeting. You may also submit a public comment in advance of the meeting by emailing comments@irwd.com before 12:00 p.m. on Monday, May 13, 2024.

COMMUNICATIONS TO THE BOARD

1. Written:

2. Oral:

3. ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

CONSENT CALENDAR, Items 4 through 6

4. BOARD MEETING MINUTES

Recommendation: That the minutes of the April 22, 2024 Regular Board meeting be approved as presented.

5. 2024 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: That the Board adopt a “WATCH” position on SB 937 (Weiner) and SB 1210 (Skinner), and a “SUPPORT” position on AB 2515 (Papan), SB 903 (Skinner), and H.R. 7944 (Curtis-R-UT-3).

6. ADOPTION OF REVISED IRWD SCHEDULE OF POSITIONS AND SALARY RATE CHANGES

Recommendation: That the Board adopt a Resolution superseding Resolution Number 2024-5 and adopting a revised Schedule of Positions and Salary Rate Ranges for the General Unit, and for Managers, Exempt Supervisors, Confidential and Exempt Employees.

Reso 2024-6

ACTION CALENDAR

7. PROPOSED 2024 DEBT ISSUANCE FOR REFUNDING OF THE 2010 BUILD AMERICA BONDS

Recommendation: That the Board adopt a Resolution approving the forms and authorizing the execution and delivery of a preliminary official statement and official statement, a contract of purchase, a continuing disclosure certificate, an indenture of trust, and the issuance of the Bonds of Irvine Ranch Water District, refunding Series 2024A, and authorizing the execution and delivery of all related documents.

8. SAN JOAQUIN MARSH AND NATURAL TREATMENT SYSTEM FACILITIES ONE-YEAR LANDSCAPE MAINTENANCE SERVICES CONTRACT EXTENSION

Recommendation: That the Board authorize the General Manager to execute a one-year extension of the current contract for landscape maintenance services with LandCare and Endemic Environmental for \$1,831,855.

Reso 2024-7

OTHER BUSINESS

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

- 9. General Manager's Report
- 10. Receive oral update(s) from District liaison(s) regarding communities within IRWD's service area and interests.
- 11. Directors' Comments and Meeting Reports
- 12. Closed Session

A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS – Pursuant to Government Code Section 54956.8:

Property: Storage Rights and other District Real Property at Santiago Reservoir (Irvine Lake), adjacent to 4621 Santiago Canyon Road, Silverado Canyon, CA 92676.

Agency negotiator: Paul Cook, IRWD General Manager

Negotiating parties: Jerry Vilander, Serrano Water District General Manager

Under negotiation: Price and Terms of Payment

- 13. Open Session
- 14. Adjournment

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

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May 13, 2024
Prepared and
submitted by: K. Swan
Approved by: Paul A. Cook *PA*

CONSENT CALENDAR

BOARD MEETING MINUTES

SUMMARY:

Provided are the minutes of the April 22, 2024 Regular Board meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE APRIL 22, 2024 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – April 22, 2024 Minutes

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EXHIBIT “A”

MINUTES OF REGULAR MEETING – APRIL 22, 2024

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order by President Reinhart at 5:10 p.m. on April 22, 2024 at the District offices, 15600 Sand Canyon Avenue, Irvine.

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

Directors Absent: None.

Oral and Written Communications: None.

Items too late to be agendized: None.

Also Present: General Manager Cook, Executive Director of Technical Services Burton, Executive Director of Operations Chambers, Executive Director of Finance Adly, Executive Director of Water Policy Weghorst, Director of Human Resources Mitcham, Director of Maintenance Manning, Recycling Operations Zepeda, Director of Safety and Security Choi, Director of Water Resources Sanchez, Director of Information Technology Kaneshiro, Director of Water Quality and Regulatory Compliance Colston, Director of Financial Planning and Data Analytics Smithson, and General Counsel Collins, Secretary Swan, Consultant Newell, and members of the staff and public.

PRESENTATION

4. SCIENCE FAIR WINNERS

Water Efficiency staff member Jasmine Orozco and Community Relations staff member Dawn Jordan recognized students for their water-related projects entered in this year’s 43rd annual Irvine Unified School District Science Fair Project program.

CONSENT CALENDAR

On MOTION by McLaughlin, seconded by Withers and unanimously carried, CONSENT CALENDAR ITEMS 5 THROUGH 12 WERE APPROVED AS FOLLOWS:

5. BOARD MEETING MINUTES

Recommendation: That the minutes of the April 8, 2024 Regular Board meeting be approved as presented.

6. MARCH 2024 TREASURY REPORT

Recommendation: That the Board receive and file the Treasurer’s Investment Summary report, the summary of fixed and variable rate debt, and the disclosure report of reimbursements to Board members and staff, approve the March 2024 summary of payroll ACH payments in the total amount of \$2,591,554, and approve the March 2024 accounts payable disbursement summary of warrants 441442 through 442001, Workers’ Compensation distributions, ACH payments, virtual card payments, wire transfers, payroll withholding distributions, and voided checks in the total amount of \$18,440,207.

CONSENT CALENDAR (CONTINUED)

7. FISCAL YEAR 2023-24 GUIDING PRINCIPLES SCORECARD

Recommendation: Receive and file.

8. PLANNING AREA 51 HERITAGE FIELDS CAPITAL FACILITIES

Recommendation: That the Board authorize the General Manager to accept Heritage Fields' construction contract with L&S Construction, Inc. in the amount of \$619,993.64 for the Planning Area 51 District 2 Whatney Capital Sanitary Sewer Improvements, Project 12823; and authorize the addition of Project 12823 in the amount of \$875,000 to the FY 2023-24 Capital Budget for the Planning Area 51 District 2 Whatney Capital Sanitary Sewer Improvements.

9. FINAL INITIAL STUDY/MITIGATED NEGATIVE DECLARATION FOR THE LAKE FOREST WOODS SEWER IMPROVEMENTS PROJECT

Recommendation: That the Board find on the basis of the whole record before it, including the final Initial Study/Mitigated Negative Declaration and comments received, that there is no substantial evidence that the Lake Forest Woods Sewer Improvements Project will have a significant effect on the environment and that the final Mitigated Negative Declaration reflects IRWD's independent judgment and analysis; adopt the proposed final Mitigated Negative Declaration for the project and the associated Mitigation Monitoring and Reporting Program, approve the project, and authorize staff to post and file a Notice of Determination.

10. CONSTRUCTION SERVICES CREW TRUCK UTILITY BED PURCHASE

Recommendation: That the Board authorize the General Manager to execute a Purchase Order with PB Loader Corporation in the amount of \$334,702 (\$167,351 per unit) for the purchase and installation of two new crew truck utility beds.

11. MICHELSON WATER RECYCLING PLANT SOLIDS DISPOSAL 18-INCH FORCE MAIN SEGMENT RELOCATION FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Michelson Water Recycling Plant Solids Disposal 18-inch Force Main Segment Relocation, authorize the General Manager to file a Notice of Completion, and authorize the payment of the retention 35 days after the date of recording the Notice of Completion Project 12520.

12. GEOGRAPHIC INFORMATION SYSTEM UTILITY NETWORK MIGRATION CONSULTANT SELECTION

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with DCSE in the amount of \$599,130 for the Utility Network Migration, Project 11782.

ACTION CALENDAR

13. DISTRICT-WIDE EMERGENCY GENERATOR DIESEL FUEL STORAGE BUDGET INCREASE, VARIANCE, AND CONSTRUCTION AWARD

General Manager Cook prefaced that the subject action item aligns with the District's Target Activities List, item number 6B. The District committed to a three-day diesel fuel storage to align with the fixed generation at many of the District's facilities to ensure a high-level of service to IRWD customers in the event of an extended power outage.

Executive Director of Technical Services Burton stated that the six generators that were approved previously by the Board will be delivered this summer to the District's contractors. It will take 15 months to install the generators and get them online since they will only allow one or two pump stations to be taken down at a time. The pre-purchase of the generators helped expedite the timeline.

President Reinhart said that the item, apart from the construction award, was reviewed by the Engineering and Operations Committee on April 16, 2024. Director McLaughlin reported that the Committee supports the staff recommendation. President Reinhart did raise the question of how the prevention of the degradation of fuel is addressed. Executive Director of Technical Services Burton stated that Operations has a program whereby the generators are tested and refueled regularly. On MOTION by McLaughlin, seconded by Withers, and carried unanimously, THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$1,327,200, FROM \$2,567,800 TO \$3,895,000, FOR PROJECT 11536 AND IN THE AMOUNT OF \$582,200, FROM \$1,995,800 TO \$2,578,000, FOR PROJECT 11537; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A VARIANCE NO. 3 WITH PSOMAS IN THE AMOUNT OF \$232,970; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH SS MECHANICAL CONSTRUCTION CORPORATION IN THE AMOUNT OF \$2,996,135, FOR THE DISTRICT-WIDE EMERGENCY GENERATOR DIESEL FUEL STORAGE, PROJECTS 11536 AND 11537.

OTHER BUSINESS

14. General Manager's Report

Mr. Cook stated that he did not have a report for the evening.

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

Consultant Newell reported that the Canyons are enjoying the extended green season.

16. Directors' Comments and Meeting Reports

Director McLaughlin stated that she had nothing to report.

Director Withers reported on his attendance at the MWDOC Elected Officials' Forum; the OCWA Monthly Industry Insight; the CSU-Water Annual Conference in Costa Mesa; and the Southern California Water Coalition's Quarterly Luncheon in Temecula.

OTHER BUSINESS (CONTINUED)

16. Directors' Comments and Meeting Reports (Continued)

Director Swan reported on his participation in the MWDOC Administration and Finance Committee Meeting; the WACO Planning Committee; the MWDOC Board of Directors' Meeting; and his attendance at the Southern California Water Coalition's Quarterly Luncheon in Temecula.

Director LaMar reported on his attendance at the ACWA 2024 Legislative Symposium in Sacramento; the Southern California Water Coalition's Quarterly Board meeting and Quarterly Luncheon in Temecula.

President Reinhart reported on his participation in the OCWD Water Issues Committee Meeting; the MWDOC Board of the Directors' Meeting; and the OCWD Board of Directors' Meeting.

President LaMar reported on his attendance for the CCEEB 501(c)(3) California Environmental Dialogue meeting; the Riverside County Water Task Force meeting; the ACWA Executive Committee; and the ACWA Board of Directors' meeting in Sacramento.

Director Reinhart reported on his participation in the MWDOC Planning and Operations Committee Meeting; the MWDOC Workshop Board Meeting with MWD Directors; the OCWD Communications and Legislative Liaison Committee Meeting; and the WACO Monthly Meeting.

11. Adjournment

There being no further business, President Reinhart adjourned the meeting at 5:22 p.m.

APPROVED and SIGNED this 13th day of May 2024.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, General Counsel
Hanson Bridgett LLP

May 13, 2024
Prepared and
submitted by: C. Compton
Approved by: Paul A. Cook 

CONSENT CALENDAR

2024 LEGISLATIVE AND REGULATORY UPDATE

SUMMARY:

This report provides an update on the 2023-2024 legislative session, regulatory issues, and IRWD priorities. As legislation and regulations develop, staff provides updates and recommendations to the Water Resources Policy and Communications Committee and the Board, as appropriate. Staff recommends the Board consider the following actions / positions:

- *AB 2515 (Papan) – Menstrual Products: Perfluoroalkyl and Polyfluoroalkyl: “SUPPORT”;*
- *SB 903 (Skinner) – Environmental Health: Product Safety: Perfluoroalkyl and Polyfluoroalkyl Substances: “SUPPORT”;*
- *SB 937 (Wiener) – Development Projects: Fees and Charges: “WATCH”;*
- *SB 1210 (Skinner) – Electrical, Gas, Sewer, and Water Service Connect Charges: “WATCH”; and*
- *H.R. 7944 (Curtis R-UT-3) – To exempt certain entities from liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 with respect to releases of perfluoroalkyl and polyfluoroalkyl substances, and for other purposes: “SUPPORT”.*

BACKGROUND:

The last day for legislative policy committees to hear fiscal bills was April 26, and May 3 was the policy committee deadline for non-fiscal bills. The last day for fiscal committees to hear and report to the floor any bills introduced in its house is May 18, and the house of origin deadline is May 24. June 27 is the last day for legislative measures to qualify for the November 5, 2024, general election.

A copy of the 2024 Legislative Matrix is attached as Exhibit “A”. Links to the bills discussed below are included within each discussion unless a separate exhibit is noted.

2024 State Legislative Update:

Connection Fees and Development Impact Fee Related Bills:

As noted in the February and March 2024 Legislative and Regulatory Updates, staff has been closely monitoring introduced legislation related to the fees charged on new housing development, and seeking amendments to many of the developer impact fees that would have impacted connections fees. Specifically, the District was seeking amendments to [AB 2729](#) (Patterson, R-Rocklin), [SB 937](#) (Wiener, D-San Francisco), and [SB 1210](#) (Skinner, D-Oakland) to

eliminate any impact they might have on connection fees. SB 937 and SB 1210 have since been amended to remove their impact on connection fees. AB 2729 may be amended following its policy committee hearing, which was held on April 24.

SB 937, as introduced, would have prohibited a local agency from requiring the payment of fees or charges, including water and sewer connection fees, until the date the certificate of occupancy is issued. The bill was amended in early April to exclude utility connection fees.

SB 1210, as introduced, would prohibit an electric, gas, sewer, or water service connection fee for new housing construction from exceeding one percent of the reported building permit value of that housing unit. The bill would have also required that the connection fee be spread over a period of at least 10 years. The bill has since been amended and now just requires the posting of a fee schedule. The limitation of the fee amount and repayment has been removed from the bill.

As a result of the amendments to SB 937 and SB 1219, staff recommends that the Board adopt a revised position on the bills. Specifically, staff recommends that the Board adopt “watch” positions on SB 937 and SB 1220.

PFAS-Related Legislation:

Like last year, this legislative session continued to see a number of perfluoroalkyl and polfluoroalkyl (PFAS) related bills. The following bills, which were introduced this year, related to PFAS:

- [AB 2515 \(Papan, D-San Mateo\) Menstrual products: perfluoroalkyl and polyfluoroalkyl substances \(PFAS\)](#): AB 2515 would prohibit manufacturing, distributing, or selling, in the state any menstrual products that contain regulated PFAS (polyfluoroalkyl substances) in menstrual products. AB 2515 would authorize the Department of Toxic Substances Control to adopt guidance or regulations for implementing and enforcing the manufacturing, distributing, or selling of such products. AB 2515 is similar to AB 246 (Papan, 2023), which was passed last year, but vetoed by the Governor. The District had a “support” position on AB 246 last year. Staff recommends the Board now adopt a position of “support” on AB 2515, which brings it into line with the District’s previous position on AB 246 (Papan, 2023); and
- [SB 903 \(Skinner, D-Richmond\) Environmental health: product safety: perfluoroalkyl and polyfluoroalkyl substances](#): SB 903 would prevent the sale and use of products beginning in 2030 containing PFAS unless the use of the PFAS in the product is necessary and there is not a safer alternative available. SB 903 would also set up a process at the Department of Toxic Substances Control (DTSC) that would allow manufacturers to petition the Department to determine whether the presence of PFAS in their product is currently unavoidable use. SB 903 is co-sponsored by CASA, Natural Resources Defense Council (NRDC), Breast Cancer Prevention Partners (BCPP), Clean Water Action (CWA), and Environmental Working Group (EWG). Given the United State Environmental Protection Agency’s (U.S. EPA) recently finalized rules on PFAS, staff recommends the Board adopt a position of “support” on SB 903, which help reduce the sources of PFAS entering water sources and wastewater.

Proposed Groundwater Legislation:

AB 2079 (Bennett) – Groundwater Extraction: Large-Diameter, High-Capacity Wells: Permits:

The Department of Water Resources (DWR) is sponsoring AB 2079, authored by Assemblymember Steve Bennett (D, Oxnard). The bill, which was previously a spot bill, was substantially amended on March 21. As amended, AB 2079 would generally ban the permitting and approval of large-diameter, high-capacity wells if the well would be within one-quarter mile of a well used for domestic or community water supply, or if the well would be located in an area where subsidence had recently occurred. The bill defines large-diameter, high-capacity wells as being any well with a diameter of more than eight inches and intended to produce two acre-feet or more of water annually.

The Board adopted an “oppose unless amended” position on AB 2079 because the bill would have negatively impacted groundwater management in California, water banking projects and the District’s ability to site wells. Staff was authorized to seek amendments to the bill to limit its negative impact on the District’s groundwater interests and seek amendments that would permit wells in managed basins like the Orange County groundwater basins and wells that are part of an approved groundwater bank that is in compliance with CEQA, among other amendments.

On April 16, the bill was amended to exclude water supply wells of public water suppliers and other types of wells. The bill was then heard in the Assembly Water Parks and Wildlife Committee on April 23. The Committee passed the bill with amendments to exclude wells from the bill’s prohibitions that are:

- Associated with or part of a conjunctive use or water banking program or project that has approved environmental document consistent with Public Resources Code section 21000 et seq.; and
- Part of a groundwater remediation or protection project that aims to address groundwater contamination, water quality, or sea water intrusion.

Staff will update the Board on discussions taking place around AB 2079. Once the amended bill is in print, staff will review the text to ensure to the bill will not negatively impact the groundwater activities with the Orange County Groundwater Basin and the types of water banking activities the District conducts in the Central Valley. If the bill, once amended, does that effectively, the District will be able to change it position on the bill from “oppose unless amended” to “watch”.

Other 2024 State Legislative Updates:

Staff will also provide an oral update to the Committee on any new developments related to the following:

- Climate resilience bonds;
- Public employment related legislation;
- Public contracting related legislation;

- SB 1218 (Newman, D- Fullerton) – Emergency Water Supplies;
- [AB 1827 \(Papan, D-San Mateo\) – Higher Consumptive Water Parcels](#) and other Water rates and charges related legislation;
- [SB 366 \(Caballero, D-Salinas\) – The California Water Plan Long-Term Supply Targets](#); and
- Other legislative matters of interest to the District.

2024 State and Regional Regulatory Update:

Recent Regulatory Actions on Drinking Water Standards:

Since the last update provided to the Board, both the State Water Resources Control Board (State Board) and the Office of Environmental Health Hazard Assessment (OEHHA) took action to adopt new standards that relate to drinking water. The State Board on April 17 adopted a new maximum contaminate level (MCL) hexavalent chromium. The final MCL was set at 10 parts per billion. OEHHA similarly adopted public health goals (PHG) for two PFAS chemicals, perfluorooctanoic acid (PFOA) and perfluorooctane sulfonic acid (PFOS), that may be found in some drinking water sources. The PHG for PFOA was set at 0.007 parts per trillion based on kidney cancer in humans. The PHG for PFOS was set at 1 parts per trillion based on liver and pancreatic tumors in laboratory animals.

Other 2024 State and Regional Regulatory Updates:

The following is a list of state and regional regulations and agency reports staff are monitoring, tracking, or planning to engage in over the next three to 12 months. As the next drafts of the regulations or reports are released for public review and comment, staff will engage, as appropriate. Staff will also provide an oral update to the Board on any new developments related to these regulations and other regulations of interest to the District.

The pending regulations and reports actively being tracked include:

- [California Endangered Species Act Listing](#) for the Southern California Steelhead and other species;
- California Natural Resources Agency (CNRA) [30 x 30 California Implementation](#);
- CNRA’s [Water Resilience Portfolio Implementation and Resiliency 2.0 Implementation](#);
- DWR’s [2023 California Water Plan Update](#);
- DWR Surface water and groundwater interconnection guidance;
- Housing and Community Development’s Surplus Land Act guidelines;
- State Board’s implementation of the adopted “[Cross Connection Policy Handbook](#)”;
- State Board’s implementation of the Lead and Copper Rule;
- State Board’s “[Making Water Conservation a California Way of Life](#)” implementation;

- State Board's [Safe and Affordable Funding for Equity and Resilience \(SAFER\) Drinking Water Program](#);
- State Board's [Development of Maximum Contaminant Levels for PFAS](#);
- South Coast AQMD's [Cumulative Impacts from Air Toxics for CEQA Projects](#);
- South Coast AQMD's Tier 4 Emergency Generator Testing Policy;
- South Coast AQMD's [PAR 1146.2 Control of NOx from Large Water Heaters, Small Boilers and Process Heaters](#); and
- South Coast AQMD's [Proposed Rule 1110.4, Emissions from Emergency Generators](#).

Staff will also provide the Committee with an update on other regulatory matters of interest to the District.

2024 Federal Legislative and Regulatory Update:

H.R. 7944

Rep. John Curtis (R-UT-3) and Rep. Marie Gluesenkamp Perez (D-WA-4) introduced H.R. 7944 on April 11. The legislation represents the House approach to addressing PFAS liability for drinking water systems.

As introduced, the legislation would prohibit the ability of a person, state, or tribe to recover costs or damages under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) from a protected entity arising from the release of PFAS chemicals that are designated as hazardous substances. The legislation defines "protected entity" as a public drinking water, public or privately owned treatment works, a municipality with a Clean Water Act 402 permit for stormwater, political subdivision or special district, or contractor performing management or disposal activities. It would grant a CERCLA liability exemption to a cover entity that transports, treats, disposes of, or arrangement for the transport, treatment, or disposal of PFAS, provided its actions were consistent with the laws governing those actions.

H.R. 7944 was referred to the Committee on Energy and Commerce, and the Committee on Transportation and Infrastructure. Staff recommends that the Board adopt a "support" position on H.R. 7944, as the District would be an entity protected by the bill.

Kern Fan Groundwater Storage Project Outreach:

IRWD's federal advocacy priority in 2024 focuses on seeking federal funding for the Kern Fan Groundwater Storage Project and advocating for an increased funding authorization for the federal Water Storage Program. Staff will provide an update on those efforts and the District's next steps, given the recent award of Small Storage Program grant funding to Phase 1 of the project.

U.S. EPA Final Rule PFAS / PFOA CERCLA Designation:

The U.S. EPA released its final rule designating PFOA and PFOS as hazardous substances under the CERCLA. The finalization of this rule official designates PFOA and PFOS as hazardous substances, and it allows EPA to use CERCLA to address PFAS contamination. Along the finalized rule, the EPA released an Enforcement Discretionary Policy to outline its position that it does intend to go after public water and wastewater utilities under the final rule. The rule becomes effective 60 days after publication.

U.S. EPA Final PFAS Primary Drinking Water Standards:

The U.S. EPA also finalized its rule establishing its national primary drinking water regulation for six PFAS: PFOA, PFOS, perfluorohexane sulfonic acid (PFHxS), perfluorononanoic acid (PFNA), hexafluoropropylene oxide dimer acid (GenX chemicals), and perfluorobutane sulfonic acid (PFBS). The rule establishes individual MCLs for each of these substances along with a hazard index MCL for four PFAS substances.

Other Federal Regulatory Updates:

The following is a list of federal regulations and agency reports staff are monitoring, tracking, or planning to engage in over the next three to 12 months. As the next drafts of the regulations or report are released for public review and comment, staff will engage, as appropriate. Staff will also provide an oral update to the Board on any new developments related to these regulations and other regulations of interest to the District. The pending regulations and reports actively being tracked include:

- U.S. Environmental Protection Agency's (U.S. EPA's) [Lead and Copper Rule Improvements](#);
- U.S. EPA's [Proposed PFAS National Primary Drinking Water Regulation](#);
- U.S. EPA's [Consumer Confidence Report Rule Revisions](#); and
- Bureau of Reclamation's [Post-2026 Colorado River Reservoir Operational Guidelines and Strategies for Lake Powell and Lake Mead](#).

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on April 30, 2024.

RECOMMENDATION:

THAT THE BOARD ADOPT A “WATCH” POSITION ON SB 937 (WEINER) AND SB 1210 (SKINNER), AND A “SUPPORT” POSITION ON AB 2515 (PAPAN), SB 903 (SKINNER), AND H.R. 7944 (CURTIS-R-UT-3).

LIST OF EXHIBITS:

Exhibit “A” – IRWD Legislative Matrix

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Exhibit "A"

IRWD 2024 LEGISLATIVE MATRIX

Updated: *April 25, 2024*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 122 (Budget)	Public Resources Trailer Bill		Expresses the intent of the Legislature that the administration conduct an assessment of offshore wind energy permitting and related resource needs across applicable State entities, including, but not limited to, the Energy Commission, the State Lands Commission, the California Coastal Commission, and the State Coastal Conservancy. States that the outcomes of the assessment may be considered as part of a future budget. Appropriates funds.	08/14/2023 - Re-referred to SENATE Committee on BUDGET AND FISCAL REVIEW.
AB 270 (Lee)	Political Reform Act of 1974: Public Campaign Financing		Permits a public officer or candidate to expend or accept public moneys for the purpose of seeking elective office if the State or a local governmental entity established a dedicated fund for this purpose. Prohibits the public moneys for this dedicated fund from being taken from public moneys that are earmarked for education, transportation, or public safety. Provides that this restriction would not apply to charter cities.	06/14/2023 - To SENATE Committees on ELECTIONS AND CONSTITUTIONAL AMENDMENTS and APPROPRIATIONS.
AB 277 (Rodriguez)	Extreme Weather Forecast and Threat Intelligence Center		Establishes the State-Federal Flood Operations Center within the Department of Water Resources and authorizes the department to administer the center in the department's divisions, offices, or programs. Requires the department and the Office of Emergency Services, in consultation with cooperating agencies, to develop and submit a report to the Legislature on or before specified date that outlines necessary technological advancements for agile forecasting and gaps in data that would improve flood response.	09/01/2023 - In SENATE Committee on APPROPRIATIONS: Held in committee.
AB 295 (Fong)	Residential Real Property: Foreclosure		Provides that existing law prescribes various requirements to be satisfied before the exercise of a power of sale under a mortgage or deed of trust and prescribes a procedure for the exercise of that power. Prohibits a person from contacting, soliciting, or initiating communication with an owner to claim the surplus funds from a foreclosure sale of the owner's residence before a	04/02/2024 - Withdrawn from SENATE Committee on TRANSPORTATION.;04/02/2024 - Re-referred to SENATE Committee on RULES.

IRWD 2024 LEGISLATIVE MATRIX
Updated: April 25, 2024

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			specified number of days after the trustee's deed has been required.	
AB 305 (Villapudua)	California Flood Protection Bond Act of 2024	Support	Enacts the California Flood Protection Bond Act of 2024 which, if approved by the voters, would authorize the issuance of bonds in the specified amount pursuant to the State General Obligation Bond Law for flood protection projects. Provides for the submission of these provisions to the voters at the specified statewide general election.	06/14/2023 - To SENATE Committees on NATURAL RESOURCES AND WATER and GOVERNANCE AND FINANCE.
AB 311 (Santiago)	Food Assistance Program: Eligibility and Benefits		Removes a specified age limitation and makes any individual eligible for the program if the individual's immigration status is the sole basis for their ineligibility for CalFresh benefits.	06/14/2023 - To SENATE Committee on HUMAN SERVICES.
AB 347 (Ting)	Household Product Safety: Toxic Substances		Requires the Department of Toxic Substances Control to adopt guidance regarding the perfluoroalkyl and polyfluoroalkyl substances prohibition and the internet posting and labeling requirements for cookware, and to post that guidance on its internet website by specified date. Requires the department to select and test at least a specified number but no more than a certain number of random samples of food packaging and cookware for compliance with those PFAS prohibitions.	09/11/2023 - In SENATE. Read second time. To third reading.;09/11/2023 - In SENATE. From third reading. To Inactive File.
AB 408 (Wilson)	Climate Resilient Farms		Enacts the Climate-Resilient Farms, Sustainable Healthy Food Access, and Farmworker Protection Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds to finance programs related to, among other things, agricultural lands, food and fiber infrastructure, climate resilience, agricultural professionals, including farmers, ranchers, and farmworkers, workforce development and training, air quality, tribes, disadvantaged communities, nutrition, and food aid.	09/01/2023 - In SENATE Committee on APPROPRIATIONS. Held in committee and made a Two-year bill.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 437 (Jackson)	State Government: Equity		Provides that existing law requires the Chief Equity Officer to improve equity and inclusion throughout State government operations and authorizes the Chief Equity Officer to engage with State entities for these purposes. Requires State agencies and departments, in carrying out their duties, to consider the use of more inclusive practices to advance equity.	04/23/2024 - In SENATE. Read second time. To third reading.
AB 453 (Cervantes)	District-Based Elections		Requires a public hearing concerning district-based elections that is consolidated with a meeting of the governing body of the political subdivision that includes other substantive agenda items, to begin at a fixed time regardless of its order on the agenda.	05/10/2023 - To SENATE Committees on ELECTIONS AND CONSTITUTIONAL AMENDMENTS and GOVERNANCE AND FINANCE.
AB 460 (Bauer-Kahan)	State Water Resources Control Board: Water Rights		Authorizes the State Water Resources Control Board to issue, on its own motion or upon the petition of an interested party, an interim relief order to a diverter or user of water in adjudicative proceedings to apply or enforce specified provisions of law related to water rights and quality.	06/27/2023 - In SENATE Committee on NATURAL RESOURCES AND WATER: Not heard.
AB 518 (Wicks)	Paid Family Leave: Eligibility		Expands eligibility for benefits under the paid family leave program to include individuals who take time off work to care for a seriously ill designated person. Defines designated person to mean any individual related by blood or whose association with the employee is the equivalent of a family relationship. Authorizes the employee to identify the designated person when they file a claim for benefits.	09/13/2023 - In SENATE. From third reading. To Inactive File.
AB 527 (Calderon)	Urban Forestry: School Greening Projects: Grants		Provides that the California Urban Forestry Act of 1978 requires the Department of Forestry and Fire Protection to implement a program in urban forestry to encourage better tree management and planting in urban areas. Requires funds to be administered to support school greening by providing grants to eligible local educational agencies, nonprofit organizations, cities, counties,	09/01/2023 - In SENATE Committee on APPROPRIATIONS: Held in committee.

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			and districts, through a competitive grant process developed by the department. Requires the department to develop guidelines.	
AB 544 (Bryan)	Voting: County Jails		Requires the Secretary of State to, upon appropriation of funds for this purpose, operate a program to provide grants to a specified number of counties to improve voter participation in jail facilities. Requires, in counties administering grants, the county sheriff or jail facility administrator to designate an employee as a voting coordinator at each facility who will be responsible for, among other things, ensuring compliance with requirements pertaining to polling locations.	01/29/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 560 (Bennett)	Sustainable Groundwater Management Act		Requires the parties to an adjudication action to submit a proposed settlement agreement determining rights to water to the State Water Resources Control Board for a nonbinding advisory determination as to whether the proposed settlement agreement will substantially impair the ability of a groundwater sustainability agency, the board, or the Department of Water Resources to achieve sustainable groundwater management before filing the proposed settlement agreement with the court.	09/01/2023 - In SENATE Committee on APPROPRIATIONS. Held in committee and made a Two-year bill.
AB 573 (Garcia E)	Organic Waste: Meeting Recovered Organic Waste Product		Provides that existing law requires the State Air Resources Board to approve and begin implementing a comprehensive short-lived climate pollutant strategy to achieve a certain reduction in statewide emissions of methane. Requires the Department of Resources Recycling and Recovery to allow a local jurisdiction, in procuring recovered organic waste products to meet procurement requirements, to use California-derived recovered organic waste that the local jurisdiction sends for processing outside of the State.	09/01/2023 - In SENATE Committee on APPROPRIATIONS: Held in committee.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 593 (Haney)	Carbon Emission Reduction Strategy: Building Sector		Requires the State Energy Resources Conservation and Development Commission to adopt a strategy, with milestones, to reduce emissions of greenhouse gases for the building sector. Requires the commission, in developing the strategy, to consult and collaborate with certain entities, to hold at least a specified number of public workshops, and to convene stakeholder sessions.	09/01/2023 - In SENATE Committee on APPROPRIATIONS. Held in committee and made a Two-year bill.
AB 609 (Papan)	Office of Wildfire Technology Research and Development		Requires the Office of Wildfire Technology Research and Development to submit a report to the Legislature that assesses the feasibility of the Department of Forestry and Fire Protection and the Office of Emergency Services, working with the National Interagency Aviation Committee and the International Airtanker Board, to conduct an evaluation of innovative new aerial firefighting technologies and whether any new technologies exist that might meet CAL FIRE standards of water and retardant delivery systems.	09/01/2023 - In SENATE Committee on APPROPRIATIONS: Held in committee.
AB 627 (Jackson)	Drayage Trucks: Voucher Incentive Project		Provides that the Air Resources Board administers the California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project under which the agency issues a limited number of vouchers to incentivize the purchase and use of zero-emission commercial vehicles. Requires the board to ensure that a voucher for the purchase of a new, or the retrofit of a used, drayage truck is provided to an operator in an amount determined pursuant to a sliding scale based on the number of drayage trucks the operator owns.	01/29/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 749 (Irwin)	State Agencies: Information Security: Uniform Standards		Requires every State agency, as defined and subject to specified exceptions, to implement Zero Trust architecture for all data, hardware, software, internal systems, and essential third-party software, including for on-premises, cloud, and hybrid environments, to achieve prescribed levels of maturity based on	09/01/2023 - In SENATE Committee on APPROPRIATIONS: Held in committee.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			the Cybersecurity and Infrastructure Security Agency (CISA) Maturity Model by specified dates.	
AB 754 (Papan)	Water Management Planning: Water Shortages	Watch	Relates to the Urban Water Management Planning Act. Requires a water shortage contingency plan to include, if, based on a description and quantification of each source of water supply, a single reservoir constitutes at least a specified percent of the total water supply, an identification of the dam and description of existing reservoir management operations, and, if the reservoir is owned and operated by the urban water supplier, a description of operational practices and approaches.	09/01/2023 - In SENATE Committee on APPROPRIATIONS: Held in committee.
AB 805 (Arambula)	Sewer Service: Disadvantaged Communities	Seek Amendments	Authorizes the State Water Resources Control Board to require a sewer service provider to contract with an administrator designated or approved by the State Board for administrative, technical, operational, legal, or managerial services to assist a designated sewer system with the provision of adequate sewer service. Requires the State Board to take specified actions before determining that a sewer service provider is a designated sewer system. Appropriates funds.	01/30/2024 - In ASSEMBLY. Read third time, urgency clause adopted. Passed ASSEMBLY. *****To SENATE.
AB 817 (Pacheco)	Open Meetings: Teleconferencing: Subsidiary Body		Provides that the Ralph M. Brown Act requires, with specified exceptions, each legislative body of a local agency to provide notice of the time and place for its regular meetings. Provides that existing law authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency. Authorizes, until specified date, a subsidiary body to use alternative teleconferencing provisions and imposes requirements for notice, agenda, and public participation.	01/25/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 824 (Calderon)	Highway Greening: Statewide Strategic Plan		Enacts the Highway Greening Act, which would require the Department of Transportation to complete a statewide strategic plan to work to achieve at least a specified percent increase of green highways in urban areas, disadvantaged communities, and low-income communities by specified year. Requires the department to submit the plan to the Legislature and specified committees of the Legislature on or before specified date.	09/01/2023 - In SENATE Committee on APPROPRIATIONS: Held in committee.
AB 828 (Connolly)	Sustainable Groundwater Management: Managed Wetlands		Adds various defined terms for purposes of the Sustainable Groundwater Management Act, including the terms managed wetland and small community water system. Provides that existing law grants a groundwater sustainability agency specified authority and authorizes a groundwater sustainability agency to regulate groundwater extraction using that authority. Prohibits a groundwater sustainability agency from using that authority under specified circumstances.	01/29/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 830 (Soria)	Lake and Streambed Alteration Agreements: Exemptions		Provides that existing law prohibits a person, a state or local governmental agency, or a public utility from substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake. Exempts the temporary operation of existing infrastructure or temporary pumps being used to divert flood stage flows or near-flood stage flows to groundwater recharge as long as certain conditions are met.	09/01/2023 - In SENATE Committee on APPROPRIATIONS: Held in committee.
AB 837 (Alvarez)	Surplus Land: Exempt Surplus Land		Provides, until specified date, that land that is subject to a sectional planning area is not subject to specified requirements for the disposal of surplus land if specified conditions are met. Requires a local agency that disposes of land pursuant to these provisions to submit a specified report to the Department of Housing and Community Development.	06/07/2023 - To SENATE Committees on GOVERNANCE AND FINANCE and HOUSING.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 841 (Berman)	State Energy Resources Conservation and Development		Requires the State Energy Resources Conservation and Development Commission to submit to the Legislature an Industrial Heat Electrification Roadmap. Authorizes the commission to consult with the State Air Resources Board to include in the roadmap an estimate of the reductions in emissions of greenhouse gases and criteria air pollutants, and commensurate health benefits, from electrifying the identified industrial subsectors.	09/01/2023 - In SENATE Committee on APPROPRIATIONS: Held in committee.
AB 868 (Wilson)	Political Reform Act of 1974: Digital Political Ads		Enacts the Digital Advertisement Transparency and Accountability Act, or DATA Act. Requires a committee that pays for a digital advertisement to appear on an online platform to submit to the Fair Political Practices Commission a copy of the digital advertisement and specified information. Requires an online platform to transmit to the commission specified information regarding digital advertisements, and to retain the information for no less than a specified number of years for specified purposes.	09/01/2023 - In SENATE Committee on APPROPRIATIONS. Held in committee and made a Two-year bill.
AB 914 (Friedman)	California Environmental Quality Act: Review Time		Requires a State agency acting as the lead agency, until specified date, to complete its environmental review for an electrical infrastructure project and to approve or deny the project within a specified number of years of the submission and acceptance of a complete application for the issuance of a lease, permit, license, certificate, or other entitlement for use for electrical infrastructure to the State agency.	09/01/2023 - In SENATE Committee on APPROPRIATIONS: Held in committee.
AB 923 (Bauer-Kahan)	Flood Plain Restoration Projects: Central Valley: Study		Requires the Central Valley Flood Protection Board, in coordination with the Department of Water Resources, to identify priority flood plain restoration or floodway expansion projects where increased flows due to climate change are likely to overwhelm existing flood protection infrastructure. Requires the department and the board to conduct broad stakeholder	09/01/2023 - In SENATE Committee on APPROPRIATIONS: Held in committee.

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			outreach to identify priority projects and would require that those projects provide at least a specified number of public benefits.	
AB 930 (Friedman)	Local Government: Reinvestment in Infrastructure		Authorizes a special district to join a Reinvestment in Infrastructure for a Sustainable and Equitable California district. Requires the Office of Planning and Research to develop guidelines for the formation of RISE districts. Requires the guidelines to require a RISE development plan to provide that at least a specified percent of the total funding received by the district be spent on residential units created within the district that are restricted to persons and families of low or moderate income.	01/29/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 1024 (Aguiar-Curry)	Water Rights: Small Irrigation Use		Exempts an entity from the requirement to enter into a lake or streambed alteration agreement with the Department of Fish and Wildlife if the entity submits a State Water Resources Control Board-approved registration or renewed or amended registration for water use in specified counties to the department and the department determines certain requirements are met. Limits the number of these registrations to a specified amount for the first year of implementation.	09/01/2023 - In SENATE Committee on APPROPRIATIONS. Held in committee and made a Two-year bill.
AB 1170 (Valencia)	Political Reform Act of 1974: Filing Requirements		Relates to the Political Reform Act, which requires elected officials, candidates for elective offices, and committees formed primarily to support or oppose a candidate for public office or a ballot measure to file periodic campaign statements and certain reports concerning campaign finances and related matters. Permits a filing officer to retain a report or statement filed in a paper format as a copy on microfilm or other space-saving materials or as an electronic copy without a two-year waiting period.	01/29/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.

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AB 1176 (Zbur)	General Plans: Local Electrification Planning Act		Provides for the Local Electrification Planning Act, which would require a city, county, or city and county to prepare and adopt a specified plan, or otherwise integrate a plan into the general plan that, among other things, identifies opportunities to expand electric vehicle charging to meet the needs of the city's, county's, or city and county's current and future visitors, residents, and businesses, and includes policies and implementation measures that address the needs of disadvantaged communities.	06/28/2023 - In SENATE Committee on GOVERNANCE AND FINANCE: Not heard.
AB 1205 (Bauer-Kahan)	Water Rights: Sale, Transfer, or Lease: Agricultural		Requires the State Water Resources Control Board to, on or before specified date, conduct a study and report to the Legislature and appropriate policy committees on the existence of speculation or profiteering by an investment fund in the sale, transfer, or lease of an interest in any surface water right or groundwater right previously put to beneficial use on agricultural lands.	09/11/2023 - In SENATE. From third reading. To Inactive File.
AB 1211 (Mathis)	Safe Drinking Water State Revolving Fund		Relates to existing law which requires the State Water Resources Control Board, at least once every 2 years, to post information on its internet website regarding implementation of the Safe Drinking Water State Revolving Fund Law and expenditures from the Safe Drinking Water State Revolving Fund. Requires the board to post the information at least annually.	05/10/2023 - To SENATE Committee on ENVIRONMENTAL QUALITY.
AB 1246 (Nguyen)	Public Employees' Retirement System Optional Settlement		Provides that existing law permits a member of the Public Employees' Retirement System to elect from among several other optional settlements for the purpose of structuring their retirement allowance. Permits a member who elected to receive a specified optional settlement at retirement, if the member's former spouse was named as beneficiary and a legal judgment	09/11/2023 - In SENATE. From Special Consent Calendar. To Inactive File.

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			awards only a portion of the interest in the retirement system to the member, to elect to add their new spouse as the beneficiary.	
AB 1272 (Wood)	State Water Resources Control Board: Drought Planning		Requires the State Water Resources Control Board, in consultation with the Department of Fish and Wildlife, to adopt principles and guidelines for diversion and use of water in coastal watersheds during times of water shortage for drought preparedness and climate resiliency. Authorizes the state board to issue a cease and desist order when a diversion or use violates or threatens to violate an applicable principle or guideline adopted by the state board for the diversion and use of water.	09/14/2023 - Withdrawn from Enrollment.;09/14/2023 - In ASSEMBLY. Ordered returned to SENATE. *****To SENATE.
AB 1284 (Ramos)	Tribal Ancestral Lands and Waters: Cogovernance		Encourages the Natural Resources Agency to enter into cogovernance and comanagement agreements with federally recognized tribes. Authorizes the Secretary of the Agency or a delegate to enter into agreements with federally recognized tribes for the purposes of shared responsibility, decision making, and partnership in resource management and conservation within a tribes ancestral lands and waters. Requires the secretary or a delegate to be the signatory for the State for such agreements.	01/29/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 1297 (Quirk-Silva)	Public Restrooms		Requires each local government to complete an inventory of public restrooms owned and maintained by the local government that are available to the general population in its jurisdiction. Requires governments to report their findings to the State Department of Public Health, which would be required to compile the information and to report the availability of public restrooms to the Legislature. Requires the Legislature to consider the report when evaluating the public's access to reliable public restrooms.	09/01/2023 - In SENATE Committee on APPROPRIATIONS: Held in committee.

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AB 1318 (Rivas)	California Environmental Quality Act: Exemption		Expands the CEQA exemption by increasing the size of a residential project that would qualify for the exemption to include a project of not more than 5 acres in total area.	05/31/2023 - To SENATE Committees on ENVIRONMENTAL QUALITY and HOUSING.
AB 1337 (Wicks)	State Water Resources Control Board: Water Diversion	Watch	Expands the instances when the diversion or use of water is considered a trespass. Authorizes the State Water Resources Control Board to issue a curtailment order for any diversion, regardless of basis of right, when water is not available under the diverter's priority of right. Requires the board to adopt regulations to implement this provision.	07/10/2023 - In SENATE Committee on NATURAL RESOURCES AND WATER: Not heard.
AB 1348 (Grayson)	State Government: Controller: Claims Audits		Relates to the Government Claims Act, which requires the presentation of all claims for money or damages against local public entities and the State. Authorizes the Controller to conduct financial and compliance audits as the Controller's office deems as necessary for purposes of ensuring that any expenditures are expended in a manner consistent with the law and the voters' intent. Requires the Controller to provide a report with specified information from these audits to the Legislature.	09/01/2023 - In SENATE Committee on APPROPRIATIONS: Held in committee.
AB 1349 (Irwin)	Electric Vehicle Charging Station Networks: Data Fields		Requires owners, operators, and infrastructure developers of electric vehicle charging stations, except for charging stations located at residential dwellings, for which those parties are awarded a State grant to support the electric vehicle charging stations to ensure that specified data fields for the owner's or operator's entire network of electric vehicle charging stations in the State are made available, free of charge, to third-party software developers through an application programming interface.	07/03/2023 - In SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS: Not heard.
AB 1465 (Wicks)	Nonvehicular Air Pollution: Civil Penalties		Provides that existing law establishes maximum civil penalties for a person who violates air pollution laws from nonvehicular sources. Requires, in assessing penalties, that health impacts,	09/06/2023 - In SENATE. From third reading. To Inactive File.

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			community disruptions, and other circumstances related to the violation be considered. Requires that civil penalties for a violation be assessed and recovered in a civil action brought by the Attorney General, by any district attorney, or by the attorney for any district in which the violation occurs.	
AB 1546 (Gabriel)	CA Consumer Privacy Act of 2018: Statute of Limitations		Requires an action by the Attorney General to enforce the California Consumer Privacy Act to be commenced within a specified number of years after the cause of action accrued.	09/01/2023 - In SENATE Committee on APPROPRIATIONS: Held in committee.
AB 1563 (Bennett)	Groundwater Sustainability Agency: Extraction Permits		Provides that the Sustainable Groundwater Management Act requires all groundwater basins designated as high or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated plans, with specified exceptions. Requires a county to forward permit requests for the construction of new groundwater wells, the enlarging of existing wells, and the reactivation of abandoned wells to the groundwater sustainability agency before permit approval.	07/12/2023 - In SENATE Committee on GOVERNANCE AND FINANCE: Not heard.
AB 1567 (Garcia E)	Safe Drinking Water, Wildfire Prevention, Drought Prep	Support	Enacts the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in a specified amount to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, clean energy, and workforce development programs.	06/14/2023 - To SENATE Committees on NATURAL RESOURCES AND WATER and GOVERNANCE AND FINANCE.
AB 1573 (Friedman)	Water Conservation: Landscape Design: Model Ordinance	Seek Amendments	Provides that the Water Conservation in Landscaping Act provides for a Model Water Efficient Landscape Ordinance that is adopted and updated at least every specified number of years. Requires the model ordinance, at the next update initiated after	09/07/2023 - In SENATE. From third reading. To Inactive File.

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			specified date, to require that all new or renovated nonresidential areas install in the project footprint not less than a specified percent of California native plants, and to prohibit the inclusion of nonfunctional turf in nonresidential landscape projects.	
AB 1581 (Kalra)	Diversion or Obstruction of Rivers, Streams, or Lakes		Exempts certain individuals, agencies, universities, zoological gardens, and institutions authorized to import, export, take, or possess any endangered, threatened, or candidate species for scientific, educational, or management purposes from the required agreement with the Department of Fish and Wildlife. Requires entities to submit to the department a written notification, fee, and a copy of proposed environmental protection measures authorized by other agencies' habitat restoration permits.	06/14/2023 - To SENATE Committee on NATURAL RESOURCES AND WATER.
AB 1688 (Sanchez)	Voter Registration: Cancellation: Deceased Persons		Provides that existing law requires the Secretary of State to adopt regulations to facilitate the availability of death statistics from the State Department of Health Services for use by the Secretary of State and county elections officials to cancel affidavits of registration of deceased persons. Authorizes the Secretary of State to also seek an agreement with the federal Social Security Administration to facilitate the availability of death statistics from that agency.	09/01/2023 - In SENATE Committee on APPROPRIATIONS: Held in committee.
AB 1712 (Irwin)	Personal Information: Data Breaches		Provides that the Information Practices Act requires any agency that owns or licenses computerized data that includes personal information to disclose any breach of the security of the system following discovery or notification of the breach. Requires the security breach notification to include the websites of the major credit reporting agencies and the Uniform Resource Locator for the main internet website operated by the Federal Trade Commission to provide information for victims of identity theft.	06/14/2023 - To SENATE Committee on JUDICIARY.

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AB 1757 (Judiciary)	Accessibility: Internet Websites		Provides that existing law imposes liability upon a person, firm, or corporation that denies or interferes with admittance to, or enjoyment of, public facilities or otherwise interferes with the rights of an individual with a disability for damages and attorney's fees. Provides that a website is presumed to provide equally effective communication and to facilitate full and equal enjoyment for the purpose of determining whether an award of damages is warranted if the website has a certain certification.	08/15/2023 - From SENATE Committee on APPROPRIATIONS with author's amendments.;08/15/2023 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 1781 (Waldron)	State Mandates: Claims		Changes the minimum claim for reimbursement for a state mandate to \$800.	01/16/2024 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
AB 1782 (Ta)	Redevelopment: Successor Agencies: Housing Asset Fund		Increases the amount that a housing successor may expend on homeless prevention and rapid rehousing services to \$500,000. Requires the Department of Housing and Community Development to publish on its internet website an adjustment to the amount that may be expended by a housing successor to reflect any change in the Consumer Price Index for All Urban Consumers.	04/25/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 1784 (Pellerin)	Primary Elections: Candidate Withdrawals		Permits a candidate for an office at a primary election to withdraw their nomination documents for that office during the applicable filing period. Provides that if an incumbent has delivered but then withdrawn their nomination documents before the specified hour on the specified day before the primary election, the bill would authorize another candidate to deliver their nomination documents no later than the specified hour on the specified day before the primary election.	04/11/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

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AB 1785 (Pacheco)	California Public Records Act		Provides that the California Public Records Act requires State and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. Prohibits a State or local agency from publicly posting the home address, telephone number, or both the name and assessor parcel number associated with the home address of any elected or appointed official on the internet without first obtaining the written permission of that individual.	04/25/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 1795 (Carrillo)	Primary Elections: Dual Candidacies		Clarifies that a candidate is prohibited from filing nomination documents for more than one office at the same primary election.	03/21/2024 - To ASSEMBLY Committee on ELECTIONS.
AB 1798 (Papan)	Department of Transportation: Contaminated Stormwater		Requires the Department of Transportation, in conjunction with the Water Resources Control Board, to develop a programmatic environmental review process to prevent 6PPD and 6PPD-quinone from entering salmon and steelhead trout bearing surface waters of the State. Requires the Board to establish parameters of the programmatic environmental review process. Requires information provided by the department to the State Board be made publicly available through the board's stormwater data collection system.	04/24/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.
AB 1819 (Waldron)	Enhanced Infrastructure Financing Districts: Wildfires		Authorizes an enhanced infrastructure financing district that are at least partially in high or very high fire hazard severity zones designated by the State Fire Marshal to finance heavy equipment to be used for vegetation clearance and firebreaks, fortification of utilities against wildfires, and equipment used for fire watch, prevention, and fighting.	01/22/2024 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
AB 1820 (Schiavo)	Housing Development Projects: Applications: Fees	Watch	Authorizes a development proponent that submits a preliminary application for a housing development project to request a preliminary fee and exaction estimate. Requires the local agency	04/24/2024 - From ASSEMBLY Committee on LOCAL

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			to provide the estimate within a specified number of business days of the submission of the preliminary application. Requires, for development fees imposed by an agency other than a city or county, the development proponent to request the fee schedule from the agency that imposes the fee.	GOVERNMENT: Do pass as amended to Committee on APPROPRIATIONS.
AB 1827 (Papan)	Local Government: Fees and Charges: Water	Support	Relates to increases in wholesale charges for water, sewage treatment, or wastewater treatment or adjustments for inflation. Relates to higher water usage demand of parcels. Provides that the incrementally higher costs of water service associated with higher water usage demands, the maximum potential water use, or projected peak water usage may be allocated using any method that reasonably assesses the water service provider's cost of serving those parcels.	04/24/2024 - From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass.
AB 1829 (Patterson)	Electricity: Certificate of Public Convenience		Requires the Public Utilities Commission to issue a decision on an application for a certificate of public convenience and necessity within 18 months of the filing of a completed application for building or upgrading an electrical transmission line that is reasonably necessary to facilitate the achievement of the state's renewable energy policy.	01/29/2024 - To ASSEMBLY Committee on UTILITIES AND ENERGY.
AB 1851 (Holden)	Drinking Water: Schoolsites: Lead Testing Pilot Program		Requires the Superintendent of Public Instruction, if an appropriation is made for this purpose, to establish a pilot program to test for and remediate lead contamination in drinking water at participating local educational agency facilities with plumbing that was installed before the specified date. Requires a public institution of higher education selected by the Superintendent to provide technical assistance to participating local educational agencies on the requirements of the pilot program.	04/24/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 1854 (Schiavo)	Service Member Protections		Relates to existing law which authorizes a member of the United States Army Reserve or the National Guard who is called to active duty to defer payments on certain obligations while serving on active duty. Authorizes the notice of deferral to specify a different date after which payments will be suspended. Requires a request for deferral to be submitted not later than 180 days following the period of active duty on which the deferral is based.	04/18/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 1857 (Jackson)	State Air Resources Board: Air Quality Regulation		Requires the State Air Resources Board to adopt regulations to improve air quality in population centers located in valleys and would require each local air district to implement those regulations with regard to stationary sources located within its jurisdiction.	04/10/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspend File.
AB 1868 (Friedman)	Property Taxation: Assessments: Affordable Housing		Provides that existing law requires the county assessor to consider, when valuing real property for property taxation purposes, the effect of any enforceable restrictions to which the use of the land may be subjected. Establishes, for purposes of valuing property by the county assessor, a rebuttable presumption that, at the time of purchase, an assessor shall not include the value of the deed of trust.	04/18/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 1879 (Gipson)	Electronic Signatures		Authorizes the use of an electronic signature in lieu of a manual, facsimile, or other signature to execute a document required to be executed by a taxpayer for purposes of any tax imposed pursuant to specified property tax laws if certain requirements are met. Requires a county assessor to accept an electronic signature if a county assessor authorizes the submission of a document containing an electronic signature from a taxpayer, and requires every county to adopt any necessary ordinances or resolutions.	04/18/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 1881 (Davies)	California Coastal Commission: Scientific Panel		Provides that the California Coastal Act requires the California Coastal Commission, if it determines that it has sufficient resources, to establish one or more scientific panels to review technical documents and reports. Provides that existing law requires the panel or panels to be composed of persons with expertise and training in specified topics, including coastal geomorphology. Includes persons with expertise and training in the topic of coastal erosion as part of the composition of the panel.	04/04/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 1889 (Friedman)	Conservation Element: Wildlife and Habitat Connectivity		Requires the conservation element of a city or county comprehensive general plan to consider the effect of development within the jurisdiction on the movement of wildlife and habitat connectivity. Authorizes a city, county, or city and county preparing to update its conservation element to consider incorporating appropriate standards, policies, and implementation programs, consult with specified entities, and consider relevant best available science.	04/23/2024 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.
AB 1890 (Patterson J)	Public Works: Prevailing Wage		Relates to existing law which requires an entity awarding a public works contract to provide notice to the Department of Industrial Relations. Requires the awarding body to provide notice to the department if there is a change in the identity of a contractor or subcontractor performing the project or, within 30 days, if the total amount of the contract change exceeds \$10,000.	04/18/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 1893 (Wicks)	Housing Accountability Act: Housing Disapprovals		Authorizes a local agency that has failed to adopt a housing element that is in substantial compliance with the Housing Element Law to disapprove or conditionally approve a housing development project for very low, low, or moderate-income households if it makes a finding that the project fails to meet certain objective planning standards. Requires that a project that	04/24/2024 - From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass as amended to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			complies with density thresholds be deemed in compliance with specified density standards for the streamlined, ministerial approval processes.	
AB 1894 (Ta)	Nonvehicular Air Pollution: Civil Penalties		Relates to the regulation of air pollution. Provides that existing law generally designates air pollution control districts and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Requires a district to provide a small business with a period of not less than a specified number of days to rectify a violation before the small business may be subject to certain civil penalties.	03/11/2024 - From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.;03/11/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
AB 1897 (Flora)	Civil Actions: Prevailing Defendant: Attorney's Fees		Requires a court, whenever a defendant prevails in a civil action, to award reasonable attorney's fees to a prevailing defendant against the plaintiff upon a finding by the court that the plaintiff's prosecution of the action was not in good faith.	02/05/2024 - To ASSEMBLY Committee on JUDICIARY.
AB 1921 (Papan)	Energy: Renewable Electrical Generation Facilities		Provides that the California Renewables Portfolio Standard Program requires the Public Utilities Commission to establish a renewables portfolio standard requiring all retail sellers to procure a minimum quantity of electricity products from electrical generating facilities that meet the definition of renewable electrical generation facility. Expands the definition of renewable electrical generation facility to include a facility that uses linear generators that use specified fuels.	04/15/2024 - From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on APPROPRIATIONS.
AB 1928 (Sanchez)	Worker Classification: Employees & Independent Contract		Repeals specified provisions that codify the ABC test. Declares that this bill's purpose is to suspend and nullify the California Supreme Court's decision in Dynamex and provide that this decision does not apply for purposes of California law.	03/04/2024 - From ASSEMBLY Committee on LABOR AND EMPLOYMENT with author's amendments.;03/04/2024 - In ASSEMBLY. Read second time and

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				amended. Re-referred to Committee on LABOR AND EMPLOYMENT.
AB 1951 (Fong)	California Environmental Quality Act: Exemption		Exempts from the California Environmental Quality Act a project for wildfire prevention within a specified number of feet of either side of a roadway.	03/21/2024 - From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.;03/21/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
AB 1968 (Jackson)	CalFresh: Supplemental Nutrition Assistance for Seniors		Provides that existing law requires the federal and State laws and regulations governing the Supplemental Security Income/State Supplementary Program for the Aged, Blind, and Disabled to govern the Cash Assistance Program for Immigrants. Requires the State Department of Social Services to create a system to automatically enroll and to enroll in the CalFresh program and the CFAP qualifying individuals who meet the eligibility requirements of the SSI/SSP and those who meet the requirements of the CAPI.	04/24/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspend File.
AB 1969 (Hart)	State Air Resources Board: Clean Off-Road Equipment		Requires the State Air Resources Board to include unmanned aerial systems, commonly known as drones, in the meaning of agricultural equipment for purposes of CORE, which the bill would define as the program established by the state board as part of the Air Quality Improvement Program.	04/10/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspend File.
AB 1976 (Haney)	Occupational Safety and Health Standards: First Aid Kit		Requires the Occupational Safety and Health Standards Board to draft a rulemaking proposal to revise a regulation on first aid materials to require all first aid kits in a workplace to include nasal spray naloxone hydrochloride.	04/17/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspend File.
AB 1998 (Mathis)	Environmental Quality Act: Dept. of Fish and Wildlife		Requires the Department of Fish and Wildlife to separately track and account for all revenues collected under a specified filing fee provision to defray the costs of managing and protecting fish	02/12/2024 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			and wildlife trust resources and all costs incurred in its role as a responsible agency or trustee agency under CEQA.	
AB 2000 (Mathis)	State Water Project: Permit and License Conditions		Makes technical, nonsubstantive changes to existing law concerning the State Water Project and permit and license conditions.	01/30/2024 - INTRODUCED.
AB 2001 (Gallagher)	Political Reform Act of 1974		Provides that existing law requires a local government agency to post a copy of any statement, report, or other document required to be filed with the agency under the Political Reform Act of 1974, within 72 hours of receiving the filing in paper format. Requires a local government agency that receives a filing that was required to be filed with a different agency or person, and not the agency that received the filing, to notify the filer of the error.	04/18/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 2003 (Fong)	Primary Elections: Withdrawal of Candidacy		Permits a candidate whose declaration of candidacy has been filed for a primary election to withdraw their candidacy until 5 p.m. on the final day that nomination documents may be delivered or filed for that office at the primary election.	03/21/2024 - To ASSEMBLY Committee on ELECTIONS.
AB 2008 (Wallis)	Reliable Energy Needs for Everyone in the West Program		Requires the State Energy Resources Conservation and Development Commission, upon appropriation by the Legislature, to establish and implement the Reliable Energy Needs for Everyone in the West Program to provide financial incentives for purchasing renewable propane, renewable hydrogen, or renewable dimethyl ether to customers in heating dominant climate zones in the State where combustion fuels will continue to be the lowest cost and most effective means for providing space and water heating to buildings.	03/06/2024 - From ASSEMBLY Committee on UTILITIES AND ENERGY with author's amendments.;03/06/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on UTILITIES AND ENERGY.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 2029 (Jackson)	Electric Vehicle Charging Stations Assessment		Requires the State Energy Resources Conservation and Development Commission to biennially conduct an assessment of the abundance of electric vehicle charging stations with electric vehicle charging station-related accessibility requirements and related guidance from relevant State and federal agencies. Requires the biennial assessment to include a biennial report.	04/22/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 2037 (Papan)	Weights and Measures: Electric Vehicle Chargers		Authorizes a county sealer to test and verify as correct any electric vehicle charger operated by a public agency that is located in the county in which the sealer has jurisdiction. Requires a county sealer to condemn and seize, or cause to be marked with a tag or other device with the words out of order, an incorrect electronic vehicle charger operated by a public agency. Authorizes a county sealer to levy a civil penalty against a public agency that removes or obliterates a tag or device.	04/11/2024 - In ASSEMBLY. Read second time. To third reading.
AB 2041 (Bonta M)	Political Reform Act of 1974: Campaign Funds: Security		Authorizes a candidate or elected officer to use campaign funds to pay or reimburse the State for the reasonable costs of installing and monitoring a home or office electronic security system or for another tangible item related to security. Requires the candidate or elected officer to maintain detailed accounts, records, bills, and receipts relating to an expenditure or reimbursement for security.	04/25/2024 - In ASSEMBLY. Read third time, urgency clause adopted. Passed ASSEMBLY. *****To SENATE.
AB 2059 (Flora)	Tenancy: Obligations of Landlords: Repairs		Prohibits a landlord from being liable for dilapidations rendering the premises untenantable, unless the landlord receives written or oral notice of the dilapidations and the landlord is given a reasonable time to repair the dilapidations.	02/12/2024 - To ASSEMBLY Committee on JUDICIARY.
AB 2060 (Soria)	Lake and Streambed Alteration Agreements: Exemptions		Provides that existing law prescribes requirements for lake and streambed alteration agreements. Provides that existing law establishes exemptions, including an exemption for the	04/23/2024 - From ASSEMBLY Committee on WATER, PARKS AND

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			diversion of floodflows for groundwater recharge. Exempts the temporary operation of existing infrastructure or temporary pumps being used to divert water to underground storage as long as certain conditions are met, including the use of protective screens on temporary pump intakes for diversions directly from rivers or streams.	WILDLIFE: Do pass to Committee on APPROPRIATIONS.
AB 2079 (Bennett)	Groundwater Extraction: Large-Diameter	Oppose Unless Amended	Provides that the Sustainable Groundwater Management Act requires all groundwater basins designated as high or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans. Requires a local enforcement agency, before approving a permit for a large-diameter, high capacity well, to provide specified information to the applicant.	04/25/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 2087 (Alanis)	Environmental Quality Act: Disclosure: Identity		Require, in all actions or proceedings brought pursuant to the provisions of CEQA, that a filing party include with the filing a disclosure of the identity and interests of the party. Authorizes a court to request more information as needed, including, but not limited to, financial statements and testimony, in the event a filing party that has previously brought an action or proceeding concerning a project makes a subsequent filing in an action or proceeding concerning the same project.	02/26/2024 - To ASSEMBLY Committees on JUDICIARY and NATURAL RESOURCES.
AB 2091 (Grayson)	Environmental Quality Act: Exemption: Public Access		Exempts from the California Environmental Quality Act a change in use approved by a public agency to allow public access exclusively for nonmotorized recreation in areas acquired or managed by a public agency for open space or park purposes.	04/23/2024 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.
AB 2095 (Maienschein)	Publication: Newspapers of General Circulation		Provides that existing law requires a newspaper of general circulation to meet certain criteria. Requires any public notice that is legally required to be published in a newspaper of general	04/10/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.

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			circulation be published in the newspapers print publication, on the newspapers internet website or electronic newspaper available on the internet, and on a statewide internet website maintained as a repository for notices by a majority of State newspapers of general circulation.	
AB 2123 (Papan)	Disability Compensation: Paid Family Leave		Relates to existing law which authorizes an employer to require an employee to take up to 2 weeks of earned but unused vacation before, and as a condition of, the employee's initial receipt of these benefits during any 12-month period in which the employee is eligible for these benefits. Eliminates that authorization and related provisions.	04/25/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 2135 (Schiavo)	Public Works Contracts: Wage and Penalty Assessment		Relates to existing law which requires the wage and penalty assessment against a contractor or subcontractor to be served not later than 18 months after the filing of a valid notice of completion in the office of the county recorder in each county in which the public work or some part thereof was performed, or not later than 18 months after acceptance of the public work. Extends this time period to 24 months, and would authorize an extension for good cause.	04/24/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspend File.
AB 2149 (Connolly)	Gates: Standards: Inspection		Provides that existing law authorizes an owner of real property to install and operate on their property an electrified security fence to protect certain property. Specifies that in any case in which a government agency seeks to enjoin the continued use of a regulated gate that is in need of repair or replacement or that poses an immediate threat to the safety of the public, an entire community or neighborhood, or any considerable number of persons, the court may award costs to the prevailing party.	04/17/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 2153 (Lowenthal)	California Public Records Act: Public Agency Employees		Requires each agency, upon receipt of a request for a copy of, or the inspection of, any personnel, medical, or similar records of a public agency employee or any record that would disclose a public agency employee's personal identity in connection with the performance of that employee's work duties, to promptly and prior to the release of the records, provide written notice of the request to that public agency employee.	02/20/2024 - To ASSEMBLY Committee on JUDICIARY.
AB 2171 (Bennett)	Water: Department of Water Resources		Makes nonsubstantive changes to existing law which provides for the appointment of the Director of Water Resources by the Governor.	02/07/2024 - INTRODUCED.
AB 2172 (Wallis)	Imperial Irrigation District: Electricity		Requires the California State Auditor's Office to conduct a comprehensive assessment and inventory of the Imperial Irrigation District's assets related to its distribution of electricity, as provided. Requires the California State Auditor, on or before specified date, to submit the assessment and inventory to the Legislature, as provided.	04/17/2024 - From ASSEMBLY Committee on UTILITIES AND ENERGY: Do pass to Committee on APPROPRIATIONS.
AB 2182 (Haney)	Public Works		Requires the director, if the director determines during any semiannual period that there has been a change in any prevailing rate of per diem wages in a locality, to make that change available to the awarding body and that decision would have exceptions to its finality, including authorizing a contractor, awarding body, or representative to file a petition to review the director's determination.	04/17/2024 - From ASSEMBLY Committee on LABOR AND EMPLOYMENT: Do pass to Committee on APPROPRIATIONS.
AB 2187 (Bryan)	Office of Tenants' Rights and Protections		Establishes, upon appropriation by the Legislature, the Office of Tenants' Rights and Protections in the Business, Consumer Services, and Housing Agency, administered by a director appointed by the Governor, and requires that office to create and maintain an up-to-date, digestible, and language-inclusive list of statewide tenants' rights and protections.	04/23/2024 - From ASSEMBLY Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 2190 (Mathis)	California Environmental Quality Act		Authorizes the Governor to certify energy infrastructure projects that use hydrogen as a fuel for streamlining benefits related to the California Environmental Quality Act (CEQA).	03/19/2024 - In ASSEMBLY Committee on NATURAL RESOURCES: Not heard.
AB 2196 (Connolly)	Beaver Restoration		Requires the Department of Fish and Wildlife to, through consultation with beaver restoration program partners, develop a program to promote beaver restoration across the State.	04/24/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.
AB 2201 (Addis)	Toxics: Air Care Products		Provides that the Cleaning Product Right to Know Act of 2017 requires a manufacturer of certain products, including specified air care products, that are sold in the State to disclose on the product label and on the product's internet website information related to chemicals contained in the product. Prohibits a person from selling or distributing in commerce in the State an air care product that contains certain specified chemical ingredients.	04/25/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 2204 (Bennett)	Green Hydrogen		Requires on and after an unspecified date, all hydrogen produced or used in California to be green hydrogen that excludes the use of any fossil fuel as a feedstock or as an energy source in the production process and that complies with any applicable requirements to show the use of new and incremental renewable generation resources, temporal matching of renewable generation resources, and geographic deliverability of renewable energy resources.	04/15/2024 - In ASSEMBLY. Assembly Rule 56 suspended.
AB 2208 (Zbur)	California Ports Development and Offshore Wind		Enacts the California Ports Development and Offshore Wind Infrastructure Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the specified amount pursuant to the State General Obligation Bond Law to support activities related to the development of offshore wind energy generation, as provided.	04/08/2024 - In ASSEMBLY Committee on NATURAL RESOURCES: Not heard.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 2213 (Rubio)	Redevelopment: Oversight Boards		Provides that existing law dissolved redevelopment agencies and community development agencies as of specified date, and provides for the designation of successor agencies to wind down the affairs of the dissolved redevelopment agencies, subject to review by oversight boards. Requires, if a successor agency has territory located within more than one county board of supervisors' district, the county board of supervisors to determine which oversight board has jurisdiction over that successor agency.	04/25/2024 - In ASSEMBLY. Read second time. To Consent Calendar.
AB 2214 (Bauer-Kahan)	Ocean Protection Council: Microplastics		Requires the Ocean Protection Council to establish and lead an interagency coordination group, and requires the council, in coordination with the interagency coordination group, to identify and recommend to the Legislature, on or before specified date, statutory changes that are needed to implement the recommendations described in the Statewide Microplastics Strategy. Requires the council to adopt a workplan outlining which participating agencies within the group will implement the recommendations.	04/23/2024 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass to Committee on APPROPRIATIONS.
AB 2216 (Haney)	Tenancy: Common Household Pets		Prohibits a landlord, before the landlord has accepted a prospective tenant's application for a dwelling unit, from asking the prospective tenant or otherwise inquiring into whether the prospective tenant plans to own or otherwise maintain a common household pet in the tenant's dwelling unit. Requires a prospective tenant, no later than specified hours before entering into a rental agreement, to inform the landlord if the prospective tenant plans to own or otherwise maintain a common household pet.	04/10/2024 - In ASSEMBLY. Read second time. To third reading.
AB 2232 (Maienschein)	Accessibility to emergency information and services		Specifies that, upon the next update to a city or county's emergency plan, whenever a city or county designates any number of emergency warming centers, that it also, to the extent	04/24/2024 - In ASSEMBLY. Read second time. To Consent Calendar.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			practicable, designate at least one warming center that can accommodate persons with pets.	
AB 2243 (Wicks)	Affordable Housing and High Road Jobs Act of 2022		Provides that the Affordable Housing and High Road Jobs Act of 2022 authorizes a development proponent to submit an application for an affordable housing development or a mixed-income housing development that meets specified objective standards and affordability and site criteria. Makes various changes to the objective standards and affordability and site criteria applicable to an affordable housing development or mixed-income housing development subject to a streamlined, ministerial review process.	04/24/2024 - From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass to Committee on APPROPRIATIONS.
AB 2256 (Friedman)	Net Energy Metering		Provides that existing law requires every electric utility to develop a standard contract or tariff for net energy metering, and requires the Public Utilities Commission to have developed a 2nd standard contract or tariff. Requires the commission, as appropriate, to revise the standard contract or tariff to, among other things, ensure that customer-sited renewable distributed generation continues to grow at a pace identified by the State as needed to meet the State's climate goals, rather than sustainably.	04/24/2024 - From ASSEMBLY Committee on UTILITIES AND ENERGY: Do pass as amended to Committee on APPROPRIATIONS.
AB 2257 (Wilson)	Local Government: Property-Related Water and Sewer Fees	Support	Relates to requirements with respect to the levying of assessments and property-related fees and charges by a local agency. Prohibits, if an agency complies with specified procedures, a person or entity from bringing a judicial action or proceeding alleging noncompliance with such provisions for any new, increased, or extended fee or assessment, unless that person or entity has timely submitted to the agency a written objection to that fee or assessment that specifies the grounds for alleging noncompliance.	04/23/2024 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;04/23/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 2264 (Arambula)	Occupational Safety and Health: Heat Illness Prevention		Requires by a specified date, an employee to obtain a heat illness prevention certification from the Division of Occupational Safety and Health within 30 days after the date of hire and to maintain a valid certification for the duration of their employment, as specified.	02/26/2024 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.
AB 2266 (Petrie-Norris)	California Hybrid and Zero-Emission Truck and Bus		Requires the State Air Resources Board to authorize a voucher issued under the program to be used for the acquisition of any zero-emission vehicle that meets specified requirements.	02/26/2024 - To ASSEMBLY Committees on TRANSPORTATION and NATURAL RESOURCES.
AB 2278 (Carrillo)	Rent Increases: Percentage Change in the Cost of Living		Requires the Attorney General to, by the specified date of each year, publish the maximum allowable rent increase on its internet website for each metropolitan area.	04/18/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 2283 (Pacheco)	Public Records: Employee Personnel Records: Notice		Requires a public agency that receives a request for the personnel records of one of the public agency's employees to provide written notice, as prescribed, to the employee within 48 hours of receipt of the request if specified conditions are met.	02/26/2024 - To ASSEMBLY Committee on JUDICIARY.
AB 2285 (Rendon)	Natural Resources: Equitable Outdoor Access: 30x30 Goal		Provides that, to advance and promote environmental, conservation, and public access policies and budget actions, the Governor's Office, State agencies, and the Legislature, when distributing resources, shall aspire to recognize the coequal goals and benefits of the 30x30 goal and Outdoors for All and, to the extent practical, maximize investment in urban communities consistent with those initiatives.	04/15/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 2302 (Addis)	Open Meetings: Local Agencies: Teleconferences		Relates to existing law which imposes prescribed restrictions on remote participation by a member of a legislative body of a local agency under alternative teleconferencing provisions. Revises the limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets.	04/15/2024 - In ASSEMBLY. Read second time. To third reading.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 2304 (Lee)	Unlawful Detainer: Case Records		Relates to existing law which requires that access in unlawful detainer actions must be given to any other person within specified number of days after the complaint has been filed if judgment against all defendants has been entered for the plaintiff within specified number days of the filing of the complaint. Expands the access requirement to include all unlawful detainer actions. Deletes the exemption for cases that seek to terminate a mobile home tenancy.	04/09/2024 - From ASSEMBLY Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
AB 2311 (Bennett)	Greenhouse Gas Reduction Fund: Grant Program		Expands the grant program promoting food waste prevention to provide financial assistance for the recovery of edible food, as specified. Specifies that eligible infrastructure projects includes the construction or expansion of facilities to help develop, implement, or expand edible food waste recovery operations.	04/10/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.
AB 2314 (Lee)	Tribal Housing Developments: Use by Right: Density		Provides that the Planning and Zoning Law authorizes a development proponent to submit an application for a multifamily housing development that is subject to a streamlined, ministerial approval process, and not subject to a conditional use permit, if the development satisfies certain objective planning standards. Deems a tribal housing development that is located on a site owned in fee simple by the tribe an allowable use if it satisfies certain requirements, including that it is located on an infill lot.	04/17/2024 - In ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT: Not heard.
AB 2318 (Papan)	State Water Pollution Cleanup and Abatement Account		Requires the State Water Resources Control Board to, no later than January 1 of each year, post on its internet website a report describing the receipts and expenditures of the State Water Pollution Cleanup and Abatement Account.	04/10/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 2320 (Irwin)	Wildlife Connectivity and Climate Adaptation Act		Makes it the policy of the State to preserve, protect, and restore wildlife habitats and biodiversity through the acquisition and restoration of blocks of habitat and natural lands that are connected by wildlife corridors and the infrastructure that supports wildlife corridors. Requires the Wildlife Conservation Board to identify priority projects for the acquisition, development, rehabilitation, restoration, protection, and expansion of wildlife corridors and open space.	04/24/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 2330 (Holden)	Incidental Take: Wildfire Preparedness Activities		Authorizes to submit to the department a locally designed voluntary program to conduct wildfire preparedness activities on land designated as a fire hazard severity zone, as defined, that minimizes impacts to wildlife and habitat for candidate, threatened, and endangered species, and meets specified criteria.	04/24/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 2334 (Grayson)	Surplus Land		Relates to existing law which requires a local agency disposing of surplus land to comply with certain notice requirements before disposing of the land or participating in negotiations to dispose of the land with a prospective transferee. Makes a nonsubstantive change to the provisions regarding written notice of availability for open-space purposes.	02/12/2024 - INTRODUCED.
AB 2344 (Petrie-Norris)	Fire Prevention: Grant Programs: Reporting		Requires the Wildfire and Forest Resilience Task Force, on or before July 1, 2025, and annually thereafter, to compile and post on its internet website specified information regarding identified state and federal grant programs relating to fire prevention and resilience.	04/10/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.
AB 2346 (Lee)	Organic Waste Reduction Regulations: Procurement		Authorizes local jurisdictions to be credited for the procurement of recovered organic waste products through an agreement with a direct service provider. Allows the direct service provider agreement to include the procurement of recovered organic waste products on a prospective or retrospective basis as long as	04/25/2024 - In ASSEMBLY. Read second time. To Consent Calendar.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			the purchase of those products occurs during the year for which the local jurisdiction seeks credit.	
AB 2355 (Carrillo)	Political Advertisements: Artificial Intelligence		Relates to the use of artificial intelligence in political advertisements. Specifies that any image, audio, video, or other media is generated, in whole or substantially, using artificial intelligence if it is entirely created using artificial intelligence or materially altered by artificial intelligence such that a reasonable person would have a fundamentally different understanding of the altered media when comparing it to an unaltered version.	04/24/2024 - In ASSEMBLY. Coauthors revised.
AB 2361 (Davies)	Planning and Zoning: Regional Housing Needs		Establishes a pilot program for the Counties of Orange and San Diego, and the cities therein. Authorizes a city or county within the pilot program, by agreement, to transfer all or a portion of its allocation of regional housing need to another city or county within the pilot program. Allows the transferring city or county to pay the transferee city or county an amount determined by that agreement, as well as a surcharge to offset the impacts and associated costs of the additional housing.	04/10/2024 - In ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT: Not heard.
AB 2372 (Bains)	Greenhouse Gas Emissions: State Board: Report		Requires the State Air Resources Board to perform a specified evaluation of achieving the policy goal of ensuring that by 2045 statewide anthropogenic greenhouse gas emissions are reduced as specified and report its findings and recommendations to the Legislature by December 31, 2030.	02/26/2024 - To ASSEMBLY Committee on NATURAL RESOURCES.
AB 2388 (Patterson J)	Information Practices Act of 1977: Personal Information		Provides that the Information Practices Act prescribes a set of requirements, prohibitions and remedies applicable to certain State agencies with regard to their collection, storage and disclosure of personal information. Revises the definition of personal information to mean any information that identifies, relates to, describes, or is capable of being associated with a particular individual including, among other things, any other	04/10/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			financial information, medical information or health insurance information.	
AB 2404 (Lee)	State and Local Public Employees: Labor Relations		Provides that it is not unlawful or a cause for discipline or other adverse action against a public employee for that public employee to refuse to enter property that is the site of a primary strike, perform work for a public employer involved in a primary strike, or go through or work behind a primary strike line. Prohibits a public employer from directing a public employee to take those actions. Authorizes recognized employee organization to inform employees of and encourage them to exercise these rights.	04/23/2024 - From ASSEMBLY Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
AB 2409 (Papan)	Office of Planning and Research: Permitting	Seek Amendments	Requires the Office of Planning and Research, on or before specified date, to create and maintain a permitting accountability transparency internet website (dashboard). Requires the dashboard to include a display for each permit to be issued by specified State agencies for all covered projects. Requires the dashboard to include, but not be limited to, information for each permit to be issued by a State agency that is required for the completion of the project.	04/16/2024 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.
AB 2418 (Patterson)	Vehicular Air Pollution: Heavy-Duty Trucks		Exempts, notwithstanding any other law, a 2024 and subsequent model heavy-duty truck that meets federal exhaust emission standards from the state regulations governing exhaust emissions standards and test procedures for 1985 and subsequent model heavy-duty engines and vehicles.	02/26/2024 - To ASSEMBLY Committee on TRANSPORTATION.
AB 2421 (Low)	Employer-Employee Relations: Confidential Communication		Prohibits a local public agency employer, a state employer, a public school employer, a higher education employer, or the district from questioning any employee or employee representative regarding communications made in confidence between an employee and an employee representative in	04/24/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			connection with representation relating to any matter within the scope of the recognized employee organization's representation.	
AB 2426 (Irwin)	False Advertising: Digital Goods		Prohibits a person from advertising or offering for sale a digital good with the terms buy, purchase, or any other term which a reasonable person would understand to confer an unrestricted ownership interest in the digital good, or alongside an option for a time-limited rental, unless the digital good may be downloaded to an external storage source to be used without a connection to the internet or the seller receives at the time of each transaction an affirmative acknowledgment from the purchaser.	04/17/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspend File.
AB 2427 (McCarty)	Electric Vehicle Charging Stations: Permitting		Requires the Governor's Office of Business and Economic Development to develop a model permitting checklist, model zoning ordinances, and best practices for permit costs and permit review timelines to help local governments permit curbside charging stations. Requires local agencies to, among other things, develop a checklist that includes all of the information required for a complete application for a permit or authorization to install an electric vehicle charging station within the public right-of-way.	04/22/2024 - From ASSEMBLY Committee on TRANSPORTATION: Do pass to Committee on APPROPRIATIONS.
AB 2433 (Quirk-Silva)	California Private Permitting Review and Inspection Act		Provides that existing law authorizes the governing body of a county or city to prescribe fees for permits, certificates, or other forms or documents required or authorized under the State Housing Law, and fees to defray the cost of enforcement required by the law to be carried out by local enforcement agencies. Provides for the California Private Permitting Review and Inspection Act. Requires a building department of the county or city to prepare a schedule of fees and post the schedule on its website.	04/24/2024 - From ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT: Do pass to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 2439 (Quirk-Silva)	Public Works: Prevailing Wages: Access to Records		Requires an owner, a developer, or the agent of an owner or developer, that, among other things, receives public funds from a public agency to perform specified public works projects, to make available upon written request from a joint labor-management committee, a multiemployer Taft-Hartley Trust Fund, or a specified tax-exempt organization, specified public works records in their possession, including requests for bids and submitted bid documents, inspection and work logs, and funding documentation.	04/17/2024 - From ASSEMBLY Committee on LABOR AND EMPLOYMENT: Do pass to Committee on APPROPRIATIONS.
AB 2440 (Reyes)	30x30 Goal: Partnering State Agencies		Requires the Natural Resources Agency to prioritize promoting and supporting partnering state agencies and departments, including, but not limited to, the Department of Parks and Recreation, in the acquisition and responsible stewardship of state land.	04/23/2024 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.
AB 2451 (Cervantes)	Public Works: Prevailing Wages		Provides that existing law requires that workers employed on public works be paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality that the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed. Requires the Director of Industrial Relations to use the higher rate when rates arise from collective bargaining agreements that have overlapping crafts or classifications.	03/11/2024 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.;03/11/2024 - From ASSEMBLY Committee on LABOR AND EMPLOYMENT with author's amendments.;03/11/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LABOR AND EMPLOYMENT.
AB 2453 (Villapudua)	Weights and Measures: Electric Vehicle Supply Equipment		Relates to the use and repair of weighing or measuring devices. Provides that existing law authorizes a device to be placed in service only by a sealer or a service agency. Prohibits, until specified date, requiring electric vehicle supply equipment (EVSE) to be retested or placed in service by a service agent or sealer if the EVSE has previously been placed in service by a service agent or sealer before the EVSE is used after receiving routine repairs.	04/23/2024 - From ASSEMBLY Committee on PRIVACY AND CONSUMER PROTECTION: Do pass to Assembly Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 2488 (Ting)	Downtown Revitalization and Economic Recovery Financing		Authorizes the City and County of San Francisco to designate a downtown revitalization and economic recovery financing district for the purpose of financing office-to-residential conversion projects with incremental tax revenues generated by office-to-residential conversion projects within the district. Requires the boundaries of the district to be contiguous with the boundaries of the City and County of San Francisco.	04/25/2024 - In ASSEMBLY. Read second time. To third reading.
AB 2489 (Ward)	Local Agencies: Contracts for Special Services		Provides that existing law authorizes a county board of supervisors to contract for certain types of special services. Requires the board or a representative, at least a specified number of months before beginning a procurement process to contract with persons for special services that are currently, or were previously, performed by employees of the county represented by an employee organization, to notify the exclusive employee representative of the workforce affected by the contract.	04/23/2024 - From ASSEMBLY Committee on JUDICIARY: Do pass as amended to Committee on APPROPRIATIONS.
AB 2493 (Pellerin)	Tenancy: Application Screening Fee		Prohibits a landlord or their agent from charging more than one application screening fee within a specified period if the applicant is applying to other units or residential properties owned by the same landlord or managed by the same agent.	03/20/2024 - In ASSEMBLY. Read second time. To third reading.
AB 2494 (Calderon)	Employer Notification: Continuation Coverage		Provides that the Consolidated Omnibus Budget Reconciliation Act of 1985 requires that certain employers provide former employees with continuation of benefits. Requires all employers, whether public or private, to provide employees with a written, hardcopy notice of coverage under COBRA, to be provided in-person and via email, following termination or reduction in hours.	04/24/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 2495 (Muratsuchi)	Electricity: State Policy: Joint Report		Requires the Public Utilities Commission, the State Energy Resources Conservation and Development Commission, and the State Air Resources Board to issue a joint report which shall include an evaluation identifying the geographic locations for development of certain renewable energy resources and zero-carbon resources, a review of certain decarbonization needs from the building, heavy industry, and transportation sectors, and a statewide transmission plan.	04/15/2024 - In ASSEMBLY. Assembly Rule 56 suspended.
AB 2498 (Zbur)	Housing: The California Housing Security Act		Establishes the California Housing Security Program to provide counties with funding to administer a housing subsidy to eligible persons to reduce housing insecurity and help Californians meet their basic housing needs. Requires the Department of Housing and Community Development to establish a pilot program in a specified number of counties and to issue suggested guidelines to establish the program that include, among other things, criteria for program eligibility.	04/25/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 2499 (Schiavo)	Unlawful Employment Practice: Discrimination		Provides that existing law prohibits an employer with 25 or more employees from discharging, or in any manner discriminating or retaliating against, an employee who is a victim of a crime or abuse, for taking time off for specified purposes. Requires an employer to inform each employee of their rights, to be provided to new employees upon hire, to all employees annually, at any time upon request, and any time an employee informs an employer that the employee or the employee's family member is a victim.	04/17/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 2501 (Alvarez)	Water Quality Control Plans: Donations and Grants		Authorizes the State Water Resources Control Board to accept moneys from donations, grants, or contributions, or through contractual agreements, from public agencies, foundations, or other not-for-profit entities for the purpose of planning, permitting, or providing technical support for projects of public	04/10/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			benefit within the State Boards jurisdiction. Requires all funds received to be deposited, and separately accounted for, in the State Water Pollution Cleanup and Abatement Account.	
AB 2502 (Rivas)	Public Contracts: Emergencies		Defines an emergency as an immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services caused by the impacts of homelessness.	03/04/2024 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
AB 2515 (Papan)	Menstrual Products: Perfluoroalkyl and Polyfluoroalkyl		Prohibits any person from manufacturing, distributing, selling, or offering for sale in the state any menstrual products that contain regulated perfluoroalkyl and polyfluoroalkyl substances. Authorizes the Department of Toxic Substances Control to adopt guidance or regulations. Requires the department to issue guidance related to testing for regulated PFAS in menstrual products and exempts that guidance from the Administrative Procedure Act.	04/16/2024 - From ASSEMBLY Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
AB 2517 (Fong)	Water: Irrigation Districts: Long-Term Maintenance		Provides that existing law requires the Department of Water Resources to give information so far as it may be practicable to persons contemplating the formation of irrigation districts. Requires the department to respond to a request to enter into a long-term maintenance agreement with an irrigation district within a specified number of days and to prioritize responding to long-term maintenance agreement requests for waterways that already have existing regular-term maintenance agreements.	04/17/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 2522 (Carrillo)	South Coast Air Quality Management District:		Provides that each member of the South Coast Air Quality Management District Board shall receive compensation of \$200 for each day, or portion thereof, but not to exceed \$2,000 per month, while attending meetings of the board or any committee thereof or, upon authorization of the board, while on official business of the district, and the actual and necessary expenses incurred in performing the member's official duties.	04/18/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 2533 (Carrillo J)	Accessory Dwelling Units: Junior Accessory Dwelling	Watch	Provides that the Planning and Zoning Law authorizes a local agency to provide for the creation of accessory dwelling units in areas zoned for residential use. Prohibits a local agency from denying a permit for an unpermitted accessory dwelling unit or junior accessory dwelling unit that was constructed before specified date for certain violations, unless the agency makes a finding that correcting the violation is necessary to comply with conditions that would otherwise deem a building substandard.	04/24/2024 - From ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT: Do pass to Committee on APPROPRIATIONS.
AB 2552 (Friedman)	Pesticides: Anticoagulant Rodenticides		Prohibits the use of a second-generation anticoagulant rodenticide within a specified number of feet of a wildlife habitat area, and prohibits the use of first-generation anticoagulant rodenticide, defined as a pesticide product containing the active ingredients diphacinone, chlorophacinone, or warfarin, in a wildlife habitat area or within a specified number of feet of a wildlife habitat area. Specifies civil penalties for violations, to be deposited into the Poison-Free Wildlife Account.	04/24/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 2557 (Ortega)	Local Agencies: Contracts for Special Services		Provides that existing law authorizes a county board of supervisors to contract for certain types of special services. Requires the board or a representative, at least a specified number of months before beginning a procurement process to contract for special services that are currently, or were previously, performed by employees of the county represented by an employee organization, to notify, in writing, the exclusive employee representative of the workforce affected by the contract of its determination.	04/25/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 2560 (Alvarez)	Density Bonus Law: California Coastal Act of 1976		Provides that any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which an applicant is entitled under the Density Bonus	04/25/2024 - In ASSEMBLY. Read second time. To third reading.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			Law be permitted notwithstanding the California Coastal Act of 1976.	
AB 2561 (McKinnor)	Local Public Employees: Vacant Positions		Provides that the Meyers-Milias-Brown Act authorizes local public employees to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of labor relations. Requires each public agency with bargaining unit vacancy rates exceeding a specified percent for more than a specified number of days to meet and confer with a representative of the recognized employee organization to implement a plan to fill all vacant positions.	04/17/2024 - From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.
AB 2568 (Pacheco)	Employee Personal Information: Electronic Monitoring		Requires an employer with 250 or more employees in the State that controls the collection of employee personal information to notify an employee if employee personal information will be collected through electronic monitoring. Requires the notice to include certain information. Provides exceptions.	04/11/2024 - In ASSEMBLY. Assembly Rule 56 suspended.
AB 2572 (Muratsuchi)	Ocean Carbon Dioxide Removal Projects		Requires the State Air Resources Board to develop criteria to determine whether an ocean carbon dioxide removal project is environmentally safe and sustainable, and to qualify environmentally safe and sustainable projects for inclusion in carbon credit programs, including, but not limited to, the Low Carbon Fuel Standard regulations and the market-based compliance mechanism.	04/24/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 2579 (Quirk-Silva)	Inspections: Exterior Elevated Elements	Watch	Provides that existing law requires an inspection of exterior elevated elements and associated waterproofing elements, including decks and balconies, for buildings with 3 or more multifamily dwelling units. Extends the deadline for initial inspection until specified date. Provides that no new inspection	04/25/2024 - In ASSEMBLY. Read second time. To Consent Calendar.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			is required until the specified date if the property was inspected within a specified number of years prior to specified date.	
AB 2584 (Lee)	Single-Family Residential Real Property		Prohibits a business entity that has an interest in more than 1,000 single-family residential properties from purchasing, acquiring, or otherwise obtaining an interest in another single-family residential property and subsequently leasing the property. Authorizes the Attorney General to bring a civil action for a violation of these provisions. Requires a court in a civil action in which the Attorney General prevails to order specified relief, including certain civil penalties.	04/24/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspend File.
AB 2585 (Bonta M)	Employee Housing Act: Permanent Single-Family		Relates to the Employee Housing Act, which authorizes a permit to operate employee housing consisting only of permanent single-family housing to, if approved by the enforcement agency, be issued for a longer period of time not to exceed 5 years. Authorizes that permit to be issued for a period of time not to exceed 6 years.	02/14/2024 - INTRODUCED.
AB 2592 (Grayson)	Local Planning: Housing Elements: Water and Sewer	Oppose Unless Amended	Provides that the Planning and Zoning Law requires each city, county, or city and county to prepare and adopt a general plan for its jurisdiction that contains certain mandatory elements, including a housing element. Requires that the housing element adopted by the legislative body of the city, county, or city and county and any amendments made to that element be delivered to all public agencies or private entities that provide water or sewer services within the territory of the legislative body.	03/19/2024 - From ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT with author's amendments.;03/19/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on HOUSING AND COMMUNITY DEVELOPMENT.
AB 2599 (Environmental Safety and Toxic Materials)	Water: Public Beaches: Discontinuation	Support	Authorizes the Attorney General, at the request of the State Water Resources Control Board or upon the Attorney Generals own motion, to bring an action in State court to restore to any person in interest any money or real property acquired by any method, act, or practice prohibited by the Water Shutoff	04/18/2024 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			Protection Act. Provides that these provisions do not provide public water systems with authorities not otherwise provided by law.	
AB 2611 (Wallis)	Political Reform Act of 1974: Conflicts		Makes a technical, nonsubstantive change to existing law which permits a public official to make or participate in the making of a governmental decision, even if the public official knows or has reason to know that the official has a financial interest, if the official's participation is legally required for the action or decision to be made.	02/14/2024 - INTRODUCED.
AB 2614 (Ramos)	Water Policy: California Tribal Communities		Relates to the Porter-Cologne Water Quality Control Act. Adds findings and declarations related to California tribal communities and the importance of protecting tribal water use. Adds tribal water uses as waters of the state that may be protected against quality degradation for purposes of the defined term beneficial uses. Requires the State Water Quality Control Board to consult and carefully evaluate the recommendations of concerned California tribal communities.	04/23/2024 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.
AB 2617 (Carrillo J)	Local Government Registration of Bonds		Makes nonsubstantive changes to existing law which requires the treasurer of a local agency having the duty of paying the interest on an issue of ad valorem special assessment district improvement bonds, upon the direction of the legislative body, to keep a register.	02/14/2024 - INTRODUCED.
AB 2619 (Connolly)	Net Energy Metering		Requires all eligible customer-generators of large electrical corporations receiving service under the 2nd standard contract or tariff to be subject to a specified version of the tariff developed by the PUC in a specified rulemaking. Requires the commission to develop a new standard contract or tariff providing for net energy metering for eligible customer-generators of large electrical corporations.	04/17/2024 - In ASSEMBLY Committee on UTILITIES AND ENERGY: Not heard.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 2622 (Carrillo J)	Contractors: Exemptions: Advertisements		Relates to existing law which exempts from the licensing requirement a work or operation on one undertaking or project by one or more contracts, if the aggregate contract price for labor, material, and all other items is under \$500. Expands the licensing exemption and the advertisement authorization by increasing the maximum aggregate contract price to \$5,000.	04/24/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 2626 (Dixon)	Advanced Clean Fleets Regulations: Local		Extends the compliance dates for local government set forth in the Advanced Clean Fleets Regulation by 10 years. Prohibits the state board from taking enforcement action against a local government for violating the Advanced Clean Fleets Regulation if the alleged violation occurs before January 1, 2025.	03/04/2024 - To ASSEMBLY Committees on TRANSPORTATION and NATURAL RESOURCES.
AB 2631 (Fong M)	Local Agencies: Ethics Training		Requires the Fair Political Practices Commission, in consultation with the Attorney General, to create, maintain, and make available to local agency officials an ethics training course, as specified.	04/10/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.
AB 2661 (Soria)	Electricity: Transmission Facility Planning: Water		Requires the Public Utilities Commission to evaluate the potential for a specified number of megawatts of solar electrical generation located in the Central Valley beyond the amount of generation described in the most recently adopted preferred system plan as of specified date. Authorizes a water district to provide, generate, and deliver zero-emission electricity and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for generation and delivery.	04/24/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 2663 (Grayson)	Affordable Housing Fees: Reports		Provides that the Mitigation Fee Act imposes various requirements with respect to the establishment, increase, or imposition of a fee by a local agency as a condition of approval of a development project, including requiring the agency to	04/17/2024 - From ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT: Do

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			identify the use to which the fee is to be put. Requires an agency that collects inclusionary housing zoning in-lieu fees to annually post on its website the amount of those fees collected in the previous year and whether those fees are intended to be used for a project.	pass to Committee on LOCAL GOVERNMENT.
AB 2671 (Weber A)	Family Daycare Homes: Filtered Water		Requires a licensed family daycare home to only serve water to children in the care of the family daycare home or use water in food preparation for children in the care of the family daycare home that has been filtered with a point-of-use water filtration device certified to meet specified standards for water safety. Requires the Department of Social Services to submit a report regarding compliance with regulations and test results from family daycare homes with lead in drinking water above certain levels.	04/23/2024 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass to Committee on APPROPRIATIONS.
AB 2684 (Bryan)	Safety Element: Extreme Heat		Provides that the Planning and Zoning Law requires the legislative body of a city or county to adopt a plan that includes various elements, including a safety element for the protection of the community from risks associated with the effects of various geologic and seismic hazards, flooding, and wildland and urban fires. Authorizes a city or county that has adopted an extreme heat action plan or other document that fulfills commensurate goals and objectives to use that information in the safety element.	04/23/2024 - In ASSEMBLY. Coauthors revised.
AB 2696 (Rendon)	Labor-Related Liabilities: Direct Contractor		Authorizes a joint labor-management cooperation committee to bring an action in any court of competent jurisdiction against a direct contractor or subcontractor at any tier for any unpaid wage, fringe or other benefit payment or contribution, penalties or liquidated damages, and interest owed to a wage claimant by the direct contractor or subcontractor for the performance of private work.	04/24/2024 - From ASSEMBLY Committee on JUDICIARY with author's amendments.;04/24/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on JUDICIARY.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 2705 (Ortega)	Labor Commissioner		Relates to work performed on a public works project. Provides that existing law requires the Labor Commissioner, after determining there has been a violation of minimum wage requirements, to issue a civil wage and penalty assessment to the contractor or subcontractor, or both. Provides for a limitations period for any action on a payment bond filed by the Labor Commissioner to be governed by the same timing requirements for the Labor Commissioner to serve a civil wage and penalty assessment.	04/16/2024 - From ASSEMBLY Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
AB 2715 (Boerner)	Ralph M. Brown Act: Closed Session		Authorizes a closed session of a legislative body of a local agency to consider or evaluate matters related to cybersecurity, as specified, provided that any action taken on those matters is done in open session.	04/24/2024 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;04/24/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
AB 2716 (Bryan)	Oil and Gas: Low- Production Wells: Sensitive Receptors		Requires the Geologic Energy Management Division to identify all low-production wells that are located within a specified distance of a sensitive receptor, and determine the length of time each of those wells has continuously been a low-production well. Defines low-production wells. Requires the division to notify the owners of wells identified as low-production wells. Requires administrative penalties for operating low-production wells to be deposited into the Oil and Gas Environmental Remediation Account.	04/10/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 2721 (Agriculture)	Transporting Kitchen Grease		Extends the Department of Food and Agriculture's authorization to cover the cost of administering provisions which state that it is unlawful for any person or entity to engage in the transportation of inedible kitchen grease without being registered with the department. Expands the dates for which any	04/24/2024 - From ASSEMBLY Committee on AGRICULTURE: Do pass to Committee on APPROPRIATIONS.

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			person who is found guilty of violating the above-described provisions or rules and regulations promulgated pursuant to the above-described provisions is subject to imprisonment or a fine.	
AB 2729 (Patterson J)	Residential Fees and Charges	Seek Amendments	Deletes the authorization for a local agency to require payment of fees or charges on a residential development prior to the date of final inspection or issuance of the certificate of occupancy, whichever occurs first.	04/25/2024 - In ASSEMBLY. Read second time and amended. To second reading.
AB 2741 (Haney)	Rental Car Companies: Electronic Surveillance		Authorizes a rental company to activate electronic surveillance technology if the rental vehicle has not been returned following 24 hours after the contracted return date or by 24 hours following the end of an extension of that return date. Removes the 24-hour notice requirement prior to activating the electronic surveillance technology.	04/24/2024 - From ASSEMBLY Committee on PRIVACY AND CONSUMER PROTECTION with author's amendments.;04/24/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on PRIVACY AND CONSUMER PROTECTION.
AB 2747 (Haney)	Tenancy: Credit Reporting		Provides that existing law requires a landlord of an assisted housing development to offer tenants obligated on the lease of units in the development the option of having their rental payments reported to at least one consumer reporting agency. Requires a landlord of a dwelling unit of residential real property to offer tenants obligated on a lease the option of having their positive rental payment information reported to at least one nationwide consumer reporting agency.	04/11/2024 - In ASSEMBLY. Read second time. To third reading.
AB 2754 (Rendon)	Employment Contracts and Agreements: Sufficient Funds		Provides that existing law prohibits a person or entity from entering into a contract with specified types of contractors if the person or entity knows or should know that the contract does not include funds sufficient to allow compliance with certain laws. Specifies a rebuttable presumption that there has been no violation. Applies provisions to motor carriers. Requires, for the	04/23/2024 - From ASSEMBLY Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.

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			presumption, that the contract include a list of the current local, State, and federal motor carrier authority or registration.	
AB 2785 (Wilson)	Tenancy: Application Fees and Security Deposits		Requires a landlord to, within a specified number of days of receiving a tenant's security, deposit the sum into an account of a bank or other government regulated financial institution, subject to certain requirements, including that, if the security is deposited into an interest-bearing account, any balance originating from the security that remains in the account after reimbursement to the landlord, including interest accrued on that balance less any estimated taxes, is payable to the tenant.	04/04/2024 - In ASSEMBLY. Read second time. To third reading.
AB 2799 (Fong)	Sustainable Groundwater Management: Small Farms: Fees		Provides that the Sustainable Groundwater Management Act requires all groundwater basins designated as high or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater plans. Requires a groundwater sustainability agency to consider the efforts of small farms that recharge groundwater into the basin upon which their property is located when imposing or increasing fees.	04/24/2024 - From ASSEMBLY Committee on AGRICULTURE: Do pass.
AB 2801 (Friedman)	Tenancy: Security Deposits		Limits claims against the tenant or the security for materials or supplies to the amount necessary to make reasonable replacements. The bill would limit claims against the tenant or the security for materials or supplies related to repairs to those necessary to restore the premises back to the same condition it was in at the inception of the tenancy, exclusive of ordinary wear and tear.	03/04/2024 - To ASSEMBLY Committee on JUDICIARY.
AB 2827 (Reyes)	Invasive Species		Finds and declares that it is a primary goal of the state to prevent the introduction, and suppress the spread, of invasive species within its border. Requires, in carrying out this goal, state agencies, in collaboration with relevant stakeholders, to, among	04/24/2024 - In ASSEMBLY. Coauthors revised.

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			other things, develop and implement strategies to detect, control, monitor, and eradicate invasive species to protect the state's agriculture, environment, and natural resources.	
AB 2855 (Flora)	Skilled and Trained Workforce Requirements		Provides that existing law establishes requirements that apply when a public entity is required by statute or regulation to obtain an enforceable commitment that a bidder, contractor, or other entity will use a skilled and trained workforce to complete a contract or project. Exempts from these requirements a contractor or subcontractor that is subject to a valid collective bargaining agreement requiring participation in a State-approved apprenticeship program, under certain conditions.	03/21/2024 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.;03/21/2024 - From ASSEMBLY Committee on LABOR AND EMPLOYMENT with author's amendments.;03/21/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LABOR AND EMPLOYMENT.
AB 2867 (Gabriel)	Recovery of Artwork and Personal Property Lost		Provides that State substantive law shall apply in actions to recover fine art or an item of historical, interpretive, scientific, or artistic significance, including those covered by the Holocaust Expropriated Art Recovery Act of 2016, brought by a State resident or their heirs. Permits a State resident or a representative of the estate of a State resident to bring an action for damages or to recover artwork or personal property that was stolen or otherwise lost as the result of political persecution.	03/18/2024 - To ASSEMBLY Committee on JUDICIARY.;03/18/2024 - From ASSEMBLY Committee on JUDICIARY with author's amendments.;03/18/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on JUDICIARY.
AB 2875 (Friedman)	Wetlands: State Policy		Declares that it is the policy of the state to ensure no net loss and long-term gain in the quantity, quality, and permanence of wetlands acreage and values in California. Makes related legislative findings and declarations.	04/17/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.
AB 2894 (Gallagher)	Urban Water Use Targets: Indoor Residential Water		Makes a nonsubstantive change to the provision requiring the Department of Water Resources to develop technical methodologies and criteria for purposes of urban water use reduction.	02/15/2024 - INTRODUCED.

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AB 2902 (Wood)	Organic Waste: Reduction Regulations: Exemptions		Provides that existing law requires the State Air Resources Board to complete, approve, and implement a comprehensive strategy to reduce emissions of short-lived climate pollutants to reduce statewide methane emissions, and provides a certain exemption for rural jurisdictions. Extends the rural jurisdiction exemption. Requires the Department of Resources Recycling and Recovery to adopt regulations to establish a process to renew the exemption after that date for periods of up to a certain number of years.	04/10/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 2911 (McKinnor)	Campaign Contributions: Agency Officers		Provides that the Political Reform Act of 1974 prohibits an officer of an agency from accepting, soliciting, or directing a contribution of more than a specified amount from any party, participant, or a party or participant's agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for a specified number of months following the date a final decision is rendered in the proceeding. Raises the threshold for contributions regulated by these provisions.	04/25/2024 - In ASSEMBLY. Read second time. To third reading.
AB 2933 (Low)	Multiunit Residential Structures and Mixed-Use		Enacts the California Multiunit Residential Structure and Mixed-Use Residential and Commercial Structure Water Conservation Act. Requires the Department of Housing and Community Development to investigate whether additional water conservation and efficiency measures are warranted for existing and new multifamily residential construction and mixed-use commercial structures, including, but not limited to, point-of-use systems.	04/23/2024 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass to Committee on APPROPRIATIONS.
AB 2937 (Wicks)	Environmental Quality Act: Streamlined Reviews		Makes nonsubstantive changes to the California Environmental Quality Act which a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) on a project that it proposes	02/15/2024 - INTRODUCED.

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			to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect.	
AB 2945 (Alvarez)	Reconnecting Communities Redevelopment Act		Provides that the State Constitution, with respect to any taxes levied on taxable property in a redevelopment project established under the Community Redevelopment Law, authorizes the Legislature to provide for the division of those taxes under a redevelopment plan between the taxing agencies and the redevelopment agency. Provides for the Reconnecting Communities Redevelopment Act. Authorizes a city or county to propose the formation of a reconnecting communities investment agency.	04/24/2024 - From ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT: Do pass to Committee on APPROPRIATIONS.
AB 2947 (Lackey)	Water: Turfgrass Conversion		Provides that the Water Conservation in Landscaping Act provides for a model water efficient landscape ordinance that is adopted and updated by the Department of Water Resources. Requires an urban water supplier that offers a turfgrass conversion rebate program using funds awarded by the department after specified date to report annually to the department on the number of turfgrass conversions that are funded through the program and the estimated water savings from the program until the funds are exhausted.	04/23/2024 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.
AB 2951 (Cervantes)	Elections: Request for Recount: Notice		Requires the Secretary of State to send a copy of the written request for a vote recount to the elections official by electronic delivery. Requires the elections official to provide written confirmation of delivery to the Secretary of State.	04/10/2024 - From ASSEMBLY Committee on ELECTIONS: Do pass to Committee on APPROPRIATIONS.
AB 2952 (Addis)	Public Employees: Retraining and Rehabilitation		Makes nonsubstantive changes to existing law which requires every public agency, its insurance carrier, and the Department of Rehabilitation to jointly formulate procedures for the selection and referral of injured full-time public employees who may be	02/16/2024 - INTRODUCED.

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			benefited by rehabilitation services and retrained for other positions in public service.	
AB 2958 (Calderon)	State Air Resources Board: Board Members: Compensation		Repeals the prohibition on compensation of the members of the State Air Resources Board from air districts. Specifies that those members are to receive the annual salary provided to other members of the state board. Repeals the per diem amount provided to elected official members of the state board.	04/17/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspend File.
AB 2962 (Papan)	Wholesale Regional Water System Security		Provides that the Wholesale Regional Water System Security and Reliability Act requires the City and County of San Francisco to adopt a specified program of capital improvement projects designed to restore and improve the bay area regional water system. Extends the repeal date of the act and makes technical nonsubstantive changes.	04/24/2024 - From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass to Committee on APPROPRIATIONS.
AB 2969 (Ting)	California Housing Finance Agency: Dwelling Units		Makes a nonsubstantive change to existing law which requires CalHFA to convene a working group to develop recommendations to assist homeowners in qualifying for loans to construct accessory dwelling units and junior accessory dwelling units on the homeowner's property and to increase access to capital for homeowners interested in building accessory dwelling units.	02/16/2024 - INTRODUCED.
AB 2994 (Wicks)	Employment Relations		Makes nonsubstantive changes to existing law which requires a person who, for money or other valuable consideration, knowingly advises an employer to treat an individual as an independent contractor to avoid employee status for that individual to be jointly and severally liable with the employer, if the individual is found not to be an independent contractor.	02/16/2024 - INTRODUCED.

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AB 3007 (Hoover)	Environmental Quality Act: Record of Documents		Requires the county clerk of each county and the Office of Planning and Research to maintain a record either electronically or on paper, or both, of all environmental documents received.	04/16/2024 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.
AB 3008 (Ramos)	Political Reform Act of 1974: Tribal Governments		Expands the scope of the exclusion from income under the Political Reform Act of 1974, further excluding salary and reimbursement for expenses or per diem, and social security, disability, or other similar benefit payments received from a tribal agency from the definition of income.	03/11/2024 - To ASSEMBLY Committee on ELECTIONS.
AB 3012 (Grayson)	Development Fees: Fee Schedule Template: Fee Estimate		Provides that the Permit Streamlining Act requires a city, county, or special district that has an internet website to make available on its internet website certain information, as applicable, including its current schedule of fees and exactions. Requires a city or county that has an internet website to make a fee estimate tool that the public can use to calculate an estimate of fees and exactions for a proposed housing development project available on its internet website.	04/24/2024 - From ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT: Do pass to Committee on APPROPRIATIONS.
AB 3013 (Maienschein)	Courts: Remote Court Reporting		Authorizes the Superior Courts of the Counties of Alameda, Los Angeles, Mendocino, Monterey, Orange, San Diego, San Joaquin, San Mateo, Santa Clara, Tulare, and Ventura to conduct pilot projects to study the potential use of remote court reporting to make the verbatim record of certain court proceedings. Requires, if the superior court elects to conduct a pilot project, the remote court reporting to be performed only by official reporters who meet specified qualifications and conditions.	04/24/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.
AB 3017 (Hart)	State-Funded Assistance Grants and Contracts		Provides that existing law authorizes specified State departments and authorities, upon determination that an advance payment is essential for the effective implementation of a program, to advance to a community-based private nonprofit	04/25/2024 - In ASSEMBLY. Read second time. To Consent Calendar.

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			agency with which it has contracted for the delivery of services funds. Includes within the definition of a recipient entity a federally recognized Indian tribe whose territorial boundaries lie wholly or partially within the State.	
AB 3048 (Lowenthal)	California Consumer Privacy Act of 2018		Prohibits a business from developing or maintaining a browser that does not include a setting that enables a consumer to send an opt-out preference signal to a business with which the consumer interacts through the browser and prohibits a business from developing or maintaining a device through which a consumer interacts with a business that does not include a setting that enables the consumer to send an opt-out preference signal pursuant to regulations adopted by the California Privacy Protection Agency.	04/25/2024 - In ASSEMBLY. Read second time. To third reading.
AB 3057 (Wilson)	Environmental Quality Act: Exemption: Dwelling Units		Provides that the California Environmental Quality Act exempts from its requirements the adoption of an ordinance by a city or county to issue a zoning variance or a special use or conditional use permit for a dwelling unit to be constructed, or which is attached to or detached from, a primary residence on a parcel zoned for a single-family residence. Expands exemption to include the adoption of an ordinance to provide for the creation of junior accessory dwelling units in single-family residential zones.	04/25/2024 - In ASSEMBLY. Read second time. To Consent Calendar.
AB 3073 (Haney)	Wastewater Testing: Illicit Substances		Requires the State Department of Public Health, in consultation with participating wastewater treatment facilities, local public health agencies, and other subject matter experts, to create a pilot program to test for high-risk substances and related treatment medications in wastewater. Requires the department to develop a list of target substances to be analyzed during the program that may include cocaine, fentanyl, methamphetamine, xylazine, methadone, buprenorphine, and naloxone.	04/24/2024 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 3084 (Soria)	Groundwater Basin Management		Expresses the intent of the Legislature to enact future legislation to improve groundwater basin management.	02/16/2024 - INTRODUCED.
AB 3090 (Maienschein)	Drinking Water Standards: Emergency Notification Plan		Provides that existing law prohibits a person from operating a public water system without an emergency notification plan that has been submitted to and approved by the State Water Resources Control Board. Authorizes and encourages a public water system, when updating an emergency notification plan, to provide notification to water users by means of other communications technology, including, but not limited to, text messages, email, or social media.	04/25/2024 - In ASSEMBLY. Read second time. To third reading.
AB 3111 (Calderon)	Distributed Energy Resources		Requires, as part of an application submitted for a permit to install or interconnect a distributed energy resource or an aggregated distributed energy resource, or at the time an aggregator enrolls an aggregated distributed energy resource in an aggregation program, the applicant or aggregator to provide notice to the Energy Commission that contains specified information about the distributed energy resources or aggregated distributed energy resources.	04/24/2024 - From ASSEMBLY Committee on UTILITIES AND ENERGY: Do pass as amended to Committee on APPROPRIATIONS.
AB 3121 (Hart)	Urban Retail Water Suppliers: Written Notice	Watch	Relates to existing law which authorizes the State Water Resources Control Board to issue a written notice to an urban retail water supplier that does not meet its urban water use objective, and authorizes the board to issue a conservation order to an urban retail water supplier that does not meet its urban water use objective. Provides that the date the board is authorized to issue a written notice is on a specified date and a conservation order to a specified date.	04/24/2024 - In ASSEMBLY. Read second time. To Consent Calendar.

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AB 3124 (Low)	Internet Websites: Personal Information		Prohibits a business from making covered personal information publicly available on its internet website. Requires a business that sells personal information through an internet website to retain identifying information of the customer that purchases that personal information and to make that identifying information available upon request to the subject of the personal information purchased by the customer. Provides a civil penalty for violations.	03/21/2024 - To ASSEMBLY Committees on PRIVACY AND CONSUMER PROTECTION and JUDICIARY.;03/21/2024 - From ASSEMBLY Committee on PRIVACY AND CONSUMER PROTECTION with author's amendments.;03/21/2024 - In ASSEMBLY. Read second time and amended. Re-referred t
AB 3125 (Garcia E)	Skilled and Trained Workforce Requirements		Applies specified requirements when a public entity is required by statute or regulation to obtain an enforceable commitment that a bidder, contractor, or other entity, at every tier of the contract that falls within an apprenticeable occupation, will use a skilled and trained workforce for all goods or services relating to any Salton Sea project.	04/11/2024 - In ASSEMBLY. Suspend Assembly Rule 96.;04/11/2024 - Re-referred to ASSEMBLY Committee on LABOR AND EMPLOYMENT.
AB 3126 (Bauer-Kahan)	State Highway Property: Information Requests		Requires the Department of Transportation to provide information regarding the acquisition of, and funding sources used to acquire, real property held by the department for state highway purposes within thirty days of receiving a request for that information.	03/21/2024 - To ASSEMBLY Committee on TRANSPORTATION.;03/21/2024 - From ASSEMBLY Committee on TRANSPORTATION with author's amendments.;03/21/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on TRANSPORTATION.
AB 3130 (Quirk-Silva)	Public Officers: Contracts: Financial Interest		Prohibits certain public officials, including, but not limited to, state, county, or district officers or employees, from being financially interested in any contract made by them in their official capacity, or by any body or board of which they are members, except as provided. Provides that a willful violation of these provisions is a crime. Requires member of the board of supervisors to disclose a known family relationship with an	04/04/2024 - In ASSEMBLY. Suspend Assembly Rule 96.;04/04/2024 - Re-referred to ASSEMBLY Committee on LOCAL GOVERNMENT.

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			officer or employee of a nonprofit entity before the board of supervisors.	
AB 3150 (Quirk-Silva)	Fire Safety: Fire Hazard Severity Zones: Defensible		Requires the State Fire Marshal to provide an opportunity, pursuant to the Administrative Procedure Act, for the public to review and comment on the fire hazard severity zone maps of areas that are not State responsibility areas before the State Fire Marshal submits them to the local agency. Requires a local agency to transmit a copy of its ordinance to the State Fire Marshal instead of the State Board of Forestry and Fire Protection.	04/22/2024 - From ASSEMBLY Committee on EMERGENCY MANAGEMENT: Do pass to Committee on APPROPRIATIONS.
AB 3157 (Papan)	California Water District Law		Makes a nonsubstantive change to existing law authorizing a water district, by using any water or water supplies furnished to the district or used by the district, to construct, maintain, and operate plants for the generation of hydroelectric power from those water and transmission lines for the conveyance of that power, and which provides for certain executive joint power agreements.	02/16/2024 - INTRODUCED.
AB 3177 (Carrillo)	Mitigation Fee Act: Land Dedications		Relates to the Mitigation Fee Act. Prohibits a local agency from imposing a land dedication requirement on a housing development for the purpose of mitigating vehicular traffic impacts or achieving an adopted traffic level of service related to vehicular traffic, unless the housing development is not located in a transit priority area and the housing development has a street frontage of a specified number of feet or more.	04/24/2024 - From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass as amended to Committee on APPROPRIATIONS.
AB 3187 (Carrillo J)	Safe Drinking Water Plan		Makes nonsubstantive changes to the provision requiring the State Water Resources Control Board to submit to the Legislature a comprehensive Safe Drinking Water Plan for California.	02/16/2024 - INTRODUCED.

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AB 3190 (Haney)	Public Works		Relates to public works. Expands the definition of paid for in whole or in part out of public funds to include projects paid using credits that the state or political subdivision agrees to apply against tax liabilities to the state or political subdivision. Removes an exemption for the construction or rehabilitation of privately owned residential projects.	04/17/2024 - From ASSEMBLY Committee on LABOR AND EMPLOYMENT: Do pass to Committee on APPROPRIATIONS.
AB 3198 (Garcia E)	Joint Powers Agreements: Retail Electric Services		Relates to the Joint Exercise of Powers Act. Authorizes a public agency with the authority to provide retail electric services to enter into a joint powers agreement with one or more public agencies with jurisdiction within the Coachella Valley Service Area to jointly exercise the authority to provide retail electric services notwithstanding an inability of a party to the joint powers agreement to exercise that power independently.	04/16/2024 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;04/16/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
AB 3200 (Hoover)	Master-Metered Mobilehome Parks: Transfer of Water		Requires the Public Utilities Commission to authorize and establish a pilot program for specified water corporations to accept the transfer of ownership and operational responsibility of water systems in master-metered mobilehome parks or manufactured housing communities, and provide that the exemption described above does not apply to the maintenance or provision of water service by a water corporation pursuant to that pilot program.	03/21/2024 - To ASSEMBLY Committees on UTILITIES AND ENERGY and HOUSING AND COMMUNITY DEVELOPMENT.
AB 3208 (Boerner)	Greenhouse Gases: Methane		Makes a nonsubstantive change to existing law which requires the State Air Resources Board to take certain actions related to methane emissions.	02/16/2024 - INTRODUCED.
AB 3219 (Sanchez)	Advanced Clean Fleets Regulation: Local Governments		Provides that the requirements of the Advanced Clean Fleets Regulation do not apply to the purchase by a local government of vehicles with a gross vehicle weight rating greater than a specified number of pounds if the price of the zero-emission version of a vehicle is more than an unspecified percentage of	03/11/2024 - To ASSEMBLY Committees on TRANSPORTATION and NATURAL RESOURCES.;03/11/2024 - From ASSEMBLY Committee on

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			the price of a comparable internal combustion engine version of that vehicle.	TRANSPORTATION with author's amendments.;03/11/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on TRANSPORTATI
AB 3227 (Alvarez)	California Environmental Quality Act: Exemption		Exempts, if certain conditions are met, from the provisions of the California Environmental Quality Act the routine maintenance of stormwater facilities that are fully concrete or that have a conveyance capacity of less than a 100-year storm event. Requires, if the lead agency determines that a project is not subject to CEQA and determines to approve or carry out the project, the agency to file a notice with the State Clearinghouse in the Office of Planning and Research and with the county clerk.	04/24/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 3238 (Garcia E)	Electrical Infrastructure Projects: Endangered Species		Requires the Department of Fish and Wildlife, when considering a request to amend an approved natural community conservation plan, to limit its review to any species listed under the California Endangered Species Act that were not previously considered in the approved plan and any new activities that would result in new or more substantial impacts to covered species than previously identified in the approved plan.	04/25/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 3277 (Local Government)	Local Agency Formation Commission		Requires a local agency formation commission to determine the amount of property tax revenue to be exchanged by an affected local agency if the proposal includes the formation of a district and the applicant is seeking a share of the 1% ad valorem property taxes.	04/23/2024 - In ASSEMBLY. Read second time. To third reading.
ACAB 2 (Alanis)	Water Resiliency Act of 2024		Requires the Treasurer to annually transfer an amount equal to a specified percent of all State revenues from the General Fund to the State Water Resiliency Trust Fund. Appropriates moneys in the fund to the State Water Commission for its actual costs of	03/06/2024 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/06/2024 - In

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			specified water infrastructure projects. Requires the State Auditor to annually conduct a programmatic review and an audit of expenditures from the Trust Fund and to report those findings.	ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
ACAB 16 (Bryan)	Environmental Rights		Amends the California Constitution to declare that the people have a right to clean air and water and a healthy environment.	04/09/2024 - In ASSEMBLY. Coauthors revised.
SB 74 (Dodd)	State Entities: State-Owned or State-Issued Devices		Requires State agencies, when implementing social media and cybersecurity policies pursuant to the Statewide Information Management Manual and authorizing any agency installation or download of an application for a particular social media platform on a State-issued or State-owned electronic device for an official State purpose, to adopt risk mitigation strategies tailored to risks posed by that social media platform.	09/06/2023 - In ASSEMBLY. To Inactive File.
SB 231 (Hurtado)	Department of Water Resources: Water Supply Forecasting		Requires the Department of Water Resources to inventory its existing drought mitigation and response plans and submit a report to the Legislature identifying these plans and their purposes by specified date. Requires the report to include a recommendation on whether there is a need for a new comprehensive, long-term plan for mitigating and responding to the effects of drought at the State level.	09/01/2023 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
SB 233 (Skinner)	Electric Vehicles and Electric Vehicle Supply Equipment		Requires the Energy Commission, in consultation with the state board and the Public Utilities Commission, to convene a stakeholder workgroup to examine challenges and opportunities associated with using battery electric vehicle and bidirectional electric vehicle service equipment as a mobile battery to power a home or building or to provide electricity to the electrical grid, and require the Energy Commission, in consultation with the	04/25/2024 - In ASSEMBLY. Read third time and amended. To third reading.;04/25/2024 - In ASSEMBLY. Assembly Rule 77.2 suspended.;04/25/2024 - Re-referred to ASSEMBLY Committee on BUSINESS AND PROFESSIONS.

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			stakeholder workgroup to submit a report to the Governor and Legislature.	
SB 245 (Hurtado)	California Food Assistance Program: Eligibility		Requires the State Department of Social Services to establish a food assistance program, known as the California Food Assistance Program (CFAP), to provide assistance to a noncitizen of the United States if the person's immigration status meets the eligibility criteria of SNAP in effect on specified date, but the person is not eligible for SNAP benefits solely due to their immigration status.	06/20/2023 - In ASSEMBLY Committee on HUMAN SERVICES: Not heard.
SB 248 (Newman)	Political Reform Act of 1974: Disclosures		Requires a candidate for elective office to file, when the candidate files a declaration of candidacy, a form to disclose the candidate's prior education and work history, and history of military service, if any. Requires the Fair Political Practices Commission to create a form for this purpose. Requires the Secretary of State to post on its website a copy of completed forms submitted by candidates, making such forms available to the public for a specified number of years from the date of the election.	09/01/2023 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
SB 251 (Newman)	Candidates' Statements: False Statements		Provides that existing law prohibits a candidate for nonpartisan elective office, or an incumbent in a recall election, to knowingly make a false statement of material fact in the candidate's statement with the intent to mislead the voters in connection with the candidate's campaign for nomination or election to an office. Provides that a violation of this prohibition is punishable by a fine. Increases the maximum fine amount.	01/16/2024 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.
SB 252 (Gonzalez)	Public Retirement Systems: Fossil Fuels: Divestment		Prohibits the boards of the Public Employees' Retirement System and the State Teachers' Retirement System from making new investments or renewing existing investments of public employee retirement funds in a fossil fuel company. Requires	06/08/2023 - To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

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			the boards to liquidate investments in a fossil fuel company on or before specified date. Suspends, temporarily, the liquidation provision upon a good faith determination by the board that certain conditions materially impact normal market mechanisms for pricing assets.	
SB 265 (Hurtado)	Cybersecurity Preparedness: Critical Infrastructure		Requires the Office of Emergency Services to direct the California Cybersecurity Integration Center to prepare, and Cal OES to submit to the Legislature, a strategic, multiyear outreach plan to assist critical infrastructure sectors, in their efforts to improve cybersecurity and an evaluation of options for providing grants or alternative forms of funding to, and potential voluntary actions that do not require funding and that assist, that sector in their efforts to improve cybersecurity preparedness.	07/10/2023 - From ASSEMBLY Committee on EMERGENCY MANAGEMENT: Do pass to Committee on APPROPRIATIONS.
SB 299 (Limon)	Voter Registration: California New Motor Voter Program		Requires the Department of Motor Vehicles to transmit specified information to the Secretary of State for a person submitting a driver's license application who provides documentation demonstrating United States citizenship and that the person is of an eligible age to register or preregister to vote.	06/13/2023 - From ASSEMBLY Committee on HEALTH with author's amendments.;06/13/2023 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on HEALTH.
SB 308 (Becker)	Carbon Dioxide Removal Market Development Act		Requires the State Air Resources Board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan at least once every specified number of years. Enacts the Carbon Dioxide Removal Market Development Act.	06/08/2023 - To ASSEMBLY Committee on NATURAL RESOURCES.
SB 328 (Dodd)	Political Reform Act of 1974: Contribution Limits		Relates to the Political Reform Act of 1974, which prohibits a person, other than a small contributor committee or political party committee, from making to a candidate for elective state, county, or city office, and prohibits those candidates from accepting from a person, a contribution totaling more than	09/01/2023 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

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			\$3,000 per election. Applies those contribution limits to candidates for school district, community college district, and other special district elections.	
SB 366 (Caballero)	State Water Plan: Long-Term Supply Targets	Support	Requires the Department of Water Resources to coordinate with specified agencies to develop a comprehensive plan for addressing the State's water needs and meeting specified long-term water supply targets for purposes of the State Water Plan. Requires the plan to include specified components, including a discussion of various strategies that may be pursued in order to meet the water supply targets, a discussion of agricultural water needs, and an analysis of the costs and benefits of achieving the targets.	04/08/2024 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;04/08/2024 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
SB 393 (Glazer)	Environmental Quality Act: Judicial Challenge		Authorizes a defendant, in an action brought pursuant to the California Environmental Quality Act relating to a housing development project, to file a motion requesting the plaintiff or petitioner to identify every person or entity that contributes in excess of a specified amount toward the plaintiff's or petitioner's costs of the action. Authorizes the motion to be heard on shortened time at the court's discretion.	07/06/2023 - In ASSEMBLY. Assembly Rule 56 suspended.
SB 399 (Wahab)	Employer Communications: Intimidation		Prohibits, with specified exceptions, an employer from subjecting, or threatening to subject, an employee to discharge, discrimination, retaliation, or any other adverse action because the employee declines to attend an employer-sponsored meeting or affirmatively declines to participate in, receive, or listen to any communications with the employer or its agents or representatives, the purpose of which is to communicate the employer's opinion about religious or political matters.	07/11/2023 - From ASSEMBLY Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
SB 409 (Newman)	Elections: Candidate's Statement		Provides that existing law authorizes a candidate for statewide elective office who accepts the voluntary expenditure limits to	09/01/2023 - In ASSEMBLY Committee on APPROPRIATIONS.

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			purchase the space to place a statement in a State voter information guide. Requires the Secretary of State to establish, on or before specified date, a pilot program that would allow a candidate to include a QR code link to a video statement in the State voter information guide.	Held in committee and made a Two-year bill.
SB 422 (Portantino)	California Environmental Quality Act		Requires specified public agencies, at the time of adoption of a rule or regulation requiring the reduction in emissions of greenhouse gases, criteria air pollutants, or toxic air contaminants, to perform an environmental analysis of the reasonably foreseeable methods of compliance with the California Environmental Quality Act.	09/12/2023 - In ASSEMBLY. To Inactive File.
SB 477 (Housing)	Accessory Dwelling Units		Provides that existing law provides for the creation of junior accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions. Makes nonsubstantive changes and reorganizes various provisions relating to the creation and regulation of accessory dwelling units and junior accessory dwelling units, and makes related nonsubstantive conforming changes.	03/25/2024 - Signed by GOVERNOR.;03/25/2024 - Chaptered by Secretary of State. Chapter No. 2024-007
SB 479 (Durazo)	Termination of Tenancy: No-Fault Just Cause		Provides that existing law, after a tenant has continuously and lawfully occupied a residential real property for 12 months, prohibits the owner of the residential real property from terminating the tenancy without just cause, and defines natural person for these purposes. Revises the definition of natural person to include, if the property is owned by a limited liability company or partnership, a natural person who is a beneficial owner, with at least a specified percent ownership interest in the property.	03/25/2024 - Signed by GOVERNOR.;03/25/2024 - Chaptered by Secretary of State. Chapter No. 2024-008

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SB 504 (Dodd)	Wildfires: Defensible Space: Grant Programs		Provides that existing law requires fuels to be maintained and spaced in a condition so that a wildfire burning under average weather conditions would be unlikely to ignite the structure. Provides that a violation of these requirements is a crime. Requires fuels to be maintained and spaced in a condition so that a wildfire would be unlikely to ignite the structure. Makes a conforming change with respect to an area or land that is within a very high fire hazard severity zone designated by a local agency.	05/11/2023 - To ASSEMBLY Committee on NATURAL RESOURCES.
SB 511 (Blakespear)	Greenhouse Gas Emissions Inventories		Provides that the California Global Warming Solutions Act requires the State Air Resources Board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan. Requires the Board to develop, and publish on its website, a report on greenhouse gas emissions inventories for the specified calendar year for each city, county, or city and county that requests inclusion in the report.	09/01/2023 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
SB 518 (Wilk)	Elections: Certification of Results		Requires the elections official to submit the certified statement of the results of the election on the 30th calendar day following the election.	06/08/2023 - To ASSEMBLY Committee on ELECTIONS.
SB 537 (Becker)	Open Meetings: Multijurisdictional		Relates to the Ralph M. Brown Act. Expand the circumstances of just cause to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely. Requires the legislative body to provide a record of attendance of the members of the legislative body, the number of community members in attendance in the teleconference meeting, and the number of public comments on its internet website after a teleconference meeting.	09/14/2023 - In ASSEMBLY. To Inactive File.

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SB 571 (Allen)	Fire Safety Regulations: Development Projects: Ingress		Requires the State Board of Forestry and Fire Protection to create, and provide to the Legislature, a report relating to standards for ingress and egress routes in new development. Requires the State Board to do certain things when creating the report, including provide opportunities for input from the public. Prohibits the State Board from adopting any regulations incorporating the standards described in the report until after a specified number of months.	01/29/2024 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.
SB 597 (Glazer)	Building Standards: Rainwater Catchment Systems		Requires the Department of Housing and Community Development to conduct research and develop recommendations regarding building standards for the installation of rainwater catchment systems in newly constructed residential dwellings and authorizes the department to propose related building standards to the California Building Standards Commission for consideration. Authorizes the department to expend moneys from the Building Standards Administration Special Revolving Fund.	09/01/2023 - In ASSEMBLY Committee on APPROPRIATIONS. Held in committee and made a Two-year bill.
SB 611 (Menjivar)	Residential Rental Properties: Fees and Advertisements		Requires landlords or their agents who advertise or provide a quote for residential property for rent and who include a specific or range of monthly rent rates to include specified information in the monthly rate. Requires the additional amount of security deposit to be returned to the tenant after no more than a specified number of months of residency if the tenant is not in arrears for any rent due during that period and if the higher amount is not due to a prior history of residential property damage.	06/08/2023 - To ASSEMBLY Committee on JUDICIARY.
SB 632 (Caballero)	Candidate Statements		Provides that existing law allows certain candidates for State or federal elective office to purchase space to place a statement in the voter information portion of the sample ballot. Requires the	09/11/2023 - In ASSEMBLY. To Inactive File.

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			Secretary of State or the Office of the Elections official to notify a candidate for statewide elective office, State Senate, or Assembly who files a statement with the Secretary or the elections official whether the statement was approved or rejected.	
SB 638 (Eggman)	Climate Resiliency and Flood Protection Bond Act	Support	Enacts the Climate Resiliency and Flood Protection Bond Act of 2024 which, if approved by the voters, would authorize the issuance of bonds in the amount of a specified amount pursuant to the State General Obligation Bond Law, for flood protection and climate resiliency projects. Provides that this bill is operative only if SB 867 of the 2023-24 Regular Session is enacted and takes effect on or before specified date.	06/28/2023 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;06/28/2023 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
SB 651 (Grove)	California Environmental Quality Act: Groundwater		Relates to the Sustainable Groundwater Management Act. Requires the Judicial Council to adopt a rule of court to establish procedures requiring actions or proceedings brought to attack, review, set aside, void, or annul the certification of an environmental impact report, or the granting of any project approvals, for groundwater recharge projects that implement a groundwater sustainability plan or an interim groundwater sustainability plan.	06/22/2023 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
SB 718 (Wilk)	Elections: Official Canvass: Unprocessed Ballots		Relates to law that requires county elections officials during the official canvass period following an election to send reports to the Secretary of State regarding the number of unprocessed ballots. Requires the Secretary of State to make public the information contained in those reports.	06/28/2023 - From ASSEMBLY Committee on ELECTIONS with author's amendments.;06/28/2023 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ELECTIONS.
SB 724 (Glazer)	Political Reform Act of 1974: Communications		Provides that the Political Reform Act of 1974 requires the disclosure of certain payments. Requires the disclosure of any payment of or promise to pay a specified amount or more for a communication that clearly identifies an elected State officer,	09/01/2023 - In ASSEMBLY Committee on APPROPRIATIONS. Held in committee and made a Two-year bill.

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			and educates the public about the previous votes cast by the elected officer or about the source of campaign donations received by the elected officer, and that is disseminated, broadcast, or otherwise published within a specified number of days of an election.	
SB 755 (Becker)	Energy Efficiency and Building Decarbonization Programs		Provides for the California's Layered Energy Applications for Residents (CLEAR) Act of 2023. Requires the State Energy Resources Conservation and Development Commission to develop and make publicly available an internet website for energy efficiency and building decarbonization programs administered by the Energy Commission, federal or local governmental agencies, and nonprofit organizations that are available in the State for residential buildings and residential electricity customers.	09/01/2023 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
SB 769 (Gonzalez)	Local Government: Fiscal and Financial Training		Provides that existing law imposes ethics training and sexual harassment prevention training and education on specified local agency officials. Exempts a local agency official from the training requirements if they comply with specified criteria under existing law relating to eligibility for appointment or election to, and continuing education for, the office of county treasurer, county tax collector, or county treasurer-tax collector.	09/01/2023 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
SB 778 (Ochoa Bogh)	Excavations: Subsurface Installations	Watch	Provides that existing law establishes the California Underground Facilities Safe Excavation Board for the enforcement and administration of the Safe Dig Act and requires the Governor to appoint a certain number of the board members. Revises the knowledge and experience requirements for a certain number of the members appointed by the Governor. Requires an operator to contact the excavator by electronic positive response if the area delineated by the excavator does not match the ticket description.	06/15/2023 - From ASSEMBLY Committee on UTILITIES AND ENERGY with author's amendments.;06/15/2023 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on UTILITIES AND ENERGY.

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SB 781 (Stern)	Methane Emissions: Natural Gas Producing Low Methane		Provides that existing law requires the State Air Resources Board to quantify and publish annually the amount of greenhouse gas emissions resulting from the loss or release of uncombusted natural gas to the atmosphere and emissions from natural gas flares during all processes associated with the production, processing, and transporting of natural gas imported into the State from out-of-state sources. Requires the board to request and incorporate certain information from utilities and other large gas users.	09/01/2023 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
SB 830 (Smallwood-Cueva)	Public Works		Requires a contractor engaging a third-party, permanent, and offsite fabrication facility to fabricate custom sheet metal ducts for a public works project to enter into a contract with the facility that requires compliance with specified public works laws. Requires certified copies of payroll records for the offsite, custom fabrication of sheet metal ducts to be accompanied by a written time record of that work certified by each employee performing the work.	09/08/2023 - In ASSEMBLY. To Inactive File.
SB 863 (Allen)	Measures Proposed by the Legislature		Allows the Legislature to specify that a constitutional amendment, bond measure, or other legislative measure submitted to the people will appear on the ballot at an election other the first statewide election if the election specified in the proposal would occur at least a specified number of days after adoption of the proposal by the Legislature.	01/30/2024 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.
SB 867 (Allen)	Drought, Flood, and Water Resilience	Support if Amended	Enacts the Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024, which would authorize the issuance of bonds to finance projects for, among other things,	06/22/2023 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.

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			drought, flood, and water resilience. Provides for the submission of these provisions to the voters at the specified statewide primary election.	
SB 903 (Skinner)	Environmental Health: Product Safety: Perfluoroalkyl		Prohibits a person from distributing, selling, or offering for sale a product that contains intentionally added perfluoroalkyl and polyfluoroalkyl substances, unless the Department of Toxic Substances Control has made a determination that the use of PFAS in the product is a currently unavoidable use, the prohibition is preempted by Federal law, or the product is previously used. Requires the department to adopt regulations that establish and provide for the assessment of an application fee.	04/15/2024 - Withdrawn from SENATE Committee on JUDICIARY.;04/15/2024 - Re-referred to SENATE Committee on APPROPRIATIONS.
SB 908 (Cortese)	Fentanyl: Child Deaths		Provides that the State Department of Public Health administers the California Overdose Surveillance Dashboard that provides data on State and local-level drug-related overdose outcomes for the State. Requires the department to utilize its data to monitor and identify current trends of fentanyl-related deaths of children between specified ages. Requires the department to develop guidance and spread awareness of the trends to protect and prevent children from fentanyl exposure.	04/24/2024 - From SENATE Committee on HEALTH: Do pass to Committee on APPROPRIATIONS.
SB 915 (Cortese)	Local Government: Autonomous Vehicles		Authorizes each city, county, or city and county in which an autonomous vehicle has received authorization by the Department of Motor Vehicles, the Public Utilities Commission, or any other applicable State agency to operate, to protect the public health, safety, and welfare by enacting an ordinance in regard to autonomous vehicle services within that jurisdiction. Requires each city, county, or city and county that enacts an ordinance to include certain provisions within that ordinance.	04/23/2024 - From SENATE Committee on TRANSPORTATION: Do pass to Committee on APPROPRIATIONS.

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SB 924 (Bradford)	Tenancy: Credit Reporting: Lower Income Households		Provides that existing law requires a landlord of an assisted housing development to offer tenants obligated on the lease of units in the development the option of having their rental payments reported to at least one consumer reporting agency through a written election of rent reporting. Permits a landlord, upon the agreement of the tenant, to provide the offer of rent reporting to the tenant by first-class United States mail or email.	04/23/2024 - In SENATE. Read second time. To third reading.
SB 934 (Gonzalez)	Zero-Emission Freight Infrastructure: Interagency		Requires the State Transportation Commission and the State Energy Resources Conservation and Development Commission to jointly convene the Zero-Emission Freight Central Delivery Team, composed of representatives from various State agencies, to lead the statewide coordination of zero-emission freight infrastructure planning and implementation, including carrying out specified actions. Requires the Team, in consultation with the State Transportation Commission and the Energy Commission, to submit a report.	04/22/2024 - From SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS: Do pass to Committee on APPROPRIATIONS.
SB 937 (Wiener)	Development Projects: Permits and Other Entitlements	Seek Amendments	Provides that the Permit Streamlining Act requires a public agency that is the lead agency for a development project to approve or disapprove that project within specified time periods. Extends by a specified number of months the period for the expiration, effectuation, or utilization of a housing entitlement for a priority residential development project that was issued before specified date, and that will expire before specified date, with certain exceptions.	04/16/2024 - From SENATE Committee on HOUSING: Do pass to Committee on APPROPRIATIONS.
SB 942 (Becker)	California AI Transparency Act		Provides for the California AI Transparency Act. Requires a covered provider to create an AI detection tool by which a person can query the provider as to the extent to which text, image, video, audio, or multimedia content was created by a generative AI system. Provides that the tool shall meet certain criteria, including that the tool is publicly accessible and	04/23/2024 - From SENATE Committee on GOVERNMENTAL ORGANIZATION: Do pass to Committee on APPROPRIATIONS.

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			available via a uniform resource locator on the provider's website and through its mobile application. Creates the Generative AI Registry Fund.	
SB 948 (Limon)	Political Reform Act of 1974: Contribution Limitations		Provides that the Political Reform Act of 1974 authorizes a candidate to transfer campaign funds from one controlled committee to a controlled committee. Permits a candidate who receives a majority of the votes cast for an office at a primary election, such that the candidate is elected to the office without advancing to the general election, to carry over funds raised for the primary election to a committee for any subsequent election to the same office without attributing funds to specific contributors.	04/23/2024 - From SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS with author's amendments.;04/23/2024 - In SENATE. Read second time and amended. Re-referred to Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.
SB 955 (Seyarto)	Office of Planning and Research: Infrastructure Program		Requires the Office of Planning and Research to establish the Infrastructure Gap-Fund Program to provide grants to local agencies to develop and construct infrastructure projects. Authorizes the office to provide funding for up to a specified percent of a project's total cost, subject to certain requirements, including that the office is prohibited from awarding a grant unless the agency provides funding that has been raised through local taxes for at least a specified percent of the project's total cost.	04/15/2024 - In SENATE Committee on APPROPRIATIONS: To Suspense File.
SB 958 (Dodd)	Surplus State Property: County of Napa		Relates to surplus state property and the County of Napa. Deletes the exemption for the property known as Camp Coombs, thereby authorizing the Director of General Services to sell or exchange that property by January 1, 2026.	04/08/2024 - In SENATE Committee on APPROPRIATIONS: To Suspense File.
SB 961 (Wiener)	Vehicles: Safety Equipment		Requires a specified percent of certain vehicles, commencing with the specified model year, to be equipped with a passive intelligent speed assistance system, that would utilize visual and audio signals to alert the driver if the speed of the vehicle is	04/23/2024 - From SENATE Committee on TRANSPORTATION: Do pass to Committee on APPROPRIATIONS.

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			more than a specified number of miles per hour over the speed limit. Requires all specified vehicles, commencing with the specified model year, to be equipped in a specified manner.	
SB 964 (Seyarto)	Property Tax: Tax-Defaulted Property Sales		Relates to the sale to certain entities of a property that has been tax defaulted for 5 years or more in an applicable county. Prohibits a property or property interest from being offered for sale to certain entities if that property or interest has not been offered for sale under the specified provisions authorizing a sale to any person unless the Board of Equalization conducts a property valuation that shows that the property or interest is worth less than the amount of the defaulted debt.	04/25/2024 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 984 (Wahab)	Public Agencies: Project Labor Agreements		Provides that existing law authorizes a public entity to use, enter into, or require contractors to enter into, a project labor agreement for a construction project, if the agreement includes specified taxpayer protection provisions. Requires a State agency, by specified date, to identify and select a minimum of a specified number of major State construction projects that are required to be governed by a project labor agreement. Requires the Department of General Services to report certain information.	04/24/2024 - From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.
SB 986 (Seyarto)	Ballot Label: Bond Measure Fiscal Impact		Requires, for state bond measures and for local measures to approve the issuance of bonds that will be secured by an ad valorem tax, the ballot label to include a summary of the measure's fiscal impact in a specified form.	03/19/2024 - In SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS: Failed passage.;03/19/2024 - In SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS: Reconsideration granted.

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SB 993 (Becker)	Clean Energy Development Incentive Rate Tariff		Provides that existing law authorizes the Public Utilities Commission to fix the rates and charges for every public utility. Requires the commission to evaluate and, if just and reasonable, establish a clean energy development incentive rate time-of-use tariff to encourage the development of new commercial or industrial electrical loads. Requires the tariff to be available to bundled customers of electric corporations until the tariff meets a statewide limitation of 5000 megawatts of customer participation.	04/22/2024 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 1003 (Dodd)	Electrical Corporations: Wildfire Mitigation Plans		Provides that existing law requires electrical corporations to construct, maintain, and operate their electrical lines and equipment in a manner that will minimize the risk of catastrophic wildfire posed by those electrical lines and equipment. Requires those operations to take into account both the need to minimize those risks as soon as possible and the amount of risk addressed for the cost of the proposed mitigation.	04/15/2024 - In SENATE Committee on APPROPRIATIONS: To Suspend File.
SB 1014 (Dodd)	Wildfire Safety: California Wildfire Mitigation		Provides that existing law establishes the Deputy Director of Community Wildfire Preparedness and Mitigation. Requires the deputy director to prepare a Wildfire Risk Mitigation Planning Framework, Wildfire Risk Baseline and Forecast, and a Wildfire Mitigation Scenarios Report. Requires the deputy director to, each year the framework, forecast, or report is completed, submit a copy to the Legislature, the Office of Energy Infrastructure Safety, and the Public Utilities Commission.	04/17/2024 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 1027 (Menjivar)	Political Reform Act of 1974: Disclosures		Provides that the Political Reform Act of 1974 provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions. Authorizes a campaign committee to redact the bank account number on a copy of a statement of organization filed with a local filing officer. Requires the Secretary of State to redact the bank	04/18/2024 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.

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			account number on a statement of organization filed with the Secretary of State before making the statement available to the public in any form.	
SB 1034 (Seyarto)	California Public Records Act: State of Emergency		Revises the unusual circumstances under which the time limit for an agency to determine whether a records request seeks copies of disclosable public records in the possession of the agency, and to notify the person of the determination, may be extended to include the need to search for, collect, appropriately examine, and copy records during a state of emergency when the emergency has affected the agency's ability to timely respond to requests, with specified exceptions.	04/25/2024 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.
SB 1045 (Blakespear)	Composting Facilities: Zoning: Air and Water Permits		Requires the Office of Planning and Research, in consultation with the Department of Resources Recycling and Recovery, to develop and post on the office's internet website a technical advisory reflecting best practices to facilitate the siting of composting facilities to meet organic waste reduction goals. Requires the office to consult with specified entities throughout the development of the technical advisory.	04/24/2024 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass as amended to Committee on APPROPRIATIONS.
SB 1046 (Laird)	Organic Waste Reduction: Program Environmental Impact		Requires the Department of Resources Recycling and Recovery to prepare and certify a program environmental impact report that streamlines the process with which jurisdictions can develop and site small and medium compostable material handling facilities or operations for processing organic waste.	04/25/2024 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.
SB 1049 (Padilla)	Department of Industrial Relations: Living Wage: Report		Requires the Department of Industrial Relations, in conjunction with the Secretary of Labor and Workforce Development and the Director of Housing and Community Development, to develop a certification program for employers that pay a living wage, which the bill would define as the lowest wage that	04/16/2024 - From SENATE Committee on HOUSING: Do pass to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			allows full-time and part-time wage earners to afford a decent standard of living, as specified.	
SB 1051 (Eggman)	Victims of Abuse or Violence: Lock Changes		Provides that existing law requires a landlord to change the locks of a protected tenant's dwelling unit upon the protected tenant's written request within a specified time period. Requires an eligible tenant's written request to include one of the specified forms of documentation, of the tenant's choosing, including, among others, a copy of a temporary restraining order, emergency protective order, or protective order or a copy of a written report by a peace officer.	04/23/2024 - From SENATE Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
SB 1055 (Min)	Accessory Dwelling Units: Regional Housing Need		Prohibits a qualifying local agency from imposing height limitations that would prohibit an attached accessory dwelling unit from attaining a height of 16 feet, as specified.	02/21/2024 - To SENATE Committees on HOUSING and LOCAL GOVERNMENT.
SB 1065 (Padilla)	Primary Drinking Water Standards: Hexavalent Chromium		Relates to the California Safe Drinking Water Act. Authorizes the State Water Resources Control Board to grant an extension of up to a specified number of years beyond any other compliance period established by the Board for a public water system to achieve compliance with the primary drinking water standard for hexavalent chromium. Requires a public water system to comply with all requirements that the Board has established for a public water system during the compliance period, including public notice.	04/08/2024 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;04/08/2024 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.
SB 1072 (Padilla)	Local Government: Proposition 218: Remedies		Requires, if a property-related fee or charge creates revenues in excess of the local government's reasonable cost of providing the specific benefit or specific government service, that the excess revenues be used only to reduce the subsequently adopted and following property-related fee or charge.	04/24/2024 - From SENATE Committee on LOCAL GOVERNMENT with author's amendments.;04/24/2024 - In SENATE. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.

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SB 1073 (Skinner)	State Acquisition of Goods/Services: Low-Carbon Cement		Authorizes a state agency to enter into forward contracts to purchase low-carbon cement or concrete products up to 10 years in advance to facilitate the commercialization of concrete, cement, and supplementary cementitious materials and in furtherance of either of the policy and comprehensive strategy relating to net-zero greenhouse gas emissions, as described.	04/24/2024 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass as amended to Committee on APPROPRIATIONS.
SB 1078 (Min)	Language Access		Establishes the Office of Language Access, within the State Health and Human Services Agency, to ensure individuals with limited English proficiency have meaningful access to government programs and services. Requires the Office, commencing on the specified date, and every other year thereafter, to submit a report to the Legislature that contains specific information, including challenges encountered while implementing Language Access Plans, lessons learned, best practices, and metrics.	04/17/2024 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 1079 (Menjivar)	Youth Housing Bond Act of 2024		Relates to the Homeless Housing, Assistance, and Prevention Program. Enacts the Youth Housing Bond Act of 2024, which, if adopted, would authorize the issuance of bonds pursuant to the State General Obligation Bond Law to finance the Youth Housing Program. Requires the Department of Housing and Community Development to make awards to local agencies, nonprofit organization, and joint ventures for the purpose of acquiring, renovating, constructing, and purchasing equipment for youth centers or youth housing.	04/08/2024 - In SENATE Committee on APPROPRIATIONS: To Suspend File.
SB 1092 (Blakespear)	Coastal Resources: Multifamily Housing Development		Provides that the California Coastal Act of 1976 authorizes an appeal to the California Coastal Commission for any action taken by a local government on coastal development permit applications. Requires the commission to provide a report to the Legislature that provides information regarding appeals relating to multifamily housing developments, including, among other	04/16/2024 - From SENATE Committee on HOUSING: Do pass to Committee on APPROPRIATIONS.

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			things, the percentage of coastal development permits for multifamily housing developments that are appealed, approved, and denied.	
SB 1100 (Portantino)	Discrimination: Driver's License and Car Ownership		Makes it an unlawful employment practice for an employer to include a statement in various employment materials that an applicant must have a driver's license unless the employer reasonably expects the duties of the position to require driving and the employer reasonably believes that satisfying that job function using an alternative form of transportation would not be comparable in travel time or cost to the employer.	04/24/2024 - From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.
SB 1103 (Menjivar)	Tenancy of Commercial Real Properties: Securities		Authorizes a landlord to increase the rent of a qualified commercial tenant to recover building operating costs only if specified conditions are met, including, among other things, that the costs are allocated proportionately per tenant and the tenant is provided notice before the rent increase. Allows a qualified commercial tenant to raise a violation of this provision as an affirmative defense in an action to recover possession. Subjects a landlord who violates this provision to a civil penalty.	04/22/2024 - From SENATE Committee on JUDICIARY with author's amendments.;04/22/2024 - In SENATE. Read second time and amended. Re-referred to Committee on JUDICIARY.
SB 1110 (Ashby)	Urban Retail Water Suppliers: Informational Order	Support	Requires the State Water Resources Control Board to additionally consider lower cost actions the water supplier has implemented or will implement in order to help the water supplier achieve overall water supply resiliency in determining whether to issue an informational order.	04/24/2024 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 1121 (Grove)	Recycled Water: Onsite Treated Nonpotable Water Systems		Requires specified local jurisdictions to ensure their permitting procedures require the approval of a permit for an onsite treated nonpotable water system within 60 days from the date the permit application is submitted if the application demonstrates that the project meets or exceeds the state board's water quality standards for the onsite treatment and reuse of nonpotable water	02/21/2024 - To SENATE Committee on ENVIRONMENTAL QUALITY.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			for nonpotable uses in multifamily residential, commercial, and mixed-use buildings.	
SB 1134 (Caballero)	Surplus Land		Requires, with regard to surplus land, each parcel of land to be considered a distinct unit of surplus land, with the exception of contiguous parcels that are disposed of simultaneously to the same receiving entity or any entity working in concert with another receiving entity, which parcels the bill would require to be treated as a single unit of land.	04/03/2024 - Re-referred to SENATE Committee on LOCAL GOVERNMENT.
SB 1137 (Smallwood-Cueva)	Discrimination Claims: Intersectionality		Provides that existing law declares that it is the policy of the State to afford all persons in public schools, regardless of specified characteristics, equal rights and opportunities in the educational institutions of the State. Revises that policy statement to include remedies that will eliminate certain discriminatory acts, including discrimination not just because of one protected trait, but also because of the intersection of 2 or more protected bases.	04/09/2024 - From SENATE Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
SB 1140 (Caballero)	Enhanced Infrastructure Financing District		Revises and recasts existing provisions by, among other things, requiring the public financing authority to hold a meeting and two public hearings. Removes the requirement that annual report notices be mailed by first-class mail. Revises and recasts the alternative notice procedures by, among other things, authorizing the alternative notice procedures to be used for amendments and annual plans. Requires the alternative notice to include specified information.	04/24/2024 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass.
SB 1143 (Allen)	Household Hazardous Waste: Producer Responsibility		Provides that the Plastic Pollution Prevention and Packaging Producer Responsibility Act establishes a producer responsibility program. Creates a producer responsibility program for products containing household hazardous waste and requires a producer responsibility organization (PRO) to provide	04/18/2024 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

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			a free and convenient collection and management system for covered products. Requires a producer of a covered product to register with the PRO.	
SB 1147 (Portantino)	Drinking Water: Bottled Water: Microplastics Level		Requires, upon adoption by the State Water Resources Control Board of a primary drinking water standard for microplastics, any water-bottling plant that produces bottled water that is sold in the State to provide the State Department of Public Health's Food and Drug Branch an annual report on the levels of microplastics found in the source water used for bottling and in the final bottled water product that is offered for sale.	04/24/2024 - From SENATE Committee on HEALTH: Do pass to Committee on APPROPRIATIONS.
SB 1151 (Hurtado)	Political Reform Act of 1974: Foreign Agents		Requires an individual who engages in certain specified activities related to influencing legislative or administrative action to register as an agent of a foreign principal and to file periodic reports with the Secretary of State, pursuant to procedures set forth in, and subject to enforcement under, the Political Reform Act of 1974.	04/16/2024 - From SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS: Do pass to Committee on APPROPRIATIONS.
SB 1155 (Hurtado)	Political Reform Act of 1974: Postgovernment		Provides that under existing law, Members of the Legislature, elected State officers, and designated employees of State administrative agencies are subject to various restrictions on their activities following their departure from State service. Prohibits, for a specified period after leaving office, the head of an agency from engaging in any activity to influence legislative or administrative action by the Legislature or administrative agency that would require the individual to register as a lobbyist.	04/18/2024 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 1156 (Hurtado)	Groundwater Sustainability Agencies: Disclosures		Requires members of the executive team, board of directors, and other groundwater management decision makers of groundwater sustainability agencies to annually disclose any economic or financial interests pursuant to the Political Reform Act of 1974	04/16/2024 - From SENATE Committee on ELECTIONS AND CONSTITUTIONAL

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			that may reasonably be considered to affect their decision-making related to groundwater management, as provided.	AMENDMENTS: Do pass to Committee on APPROPRIATIONS.
SB 1158 (Archuleta)	Carl Moyer Memorial Air Quality Standards		Provides that existing law establishes the Carl Moyer Memorial Air Quality Standards Attainment Program to provide grants to offset the incremental cost of eligible projects that reduce emissions of air pollutants from sources in the State and for funding a fueling infrastructure demonstration program and technology development efforts. Provides that existing law requires that funds be allocated under the program to local air districts for liquidation. Extends the deadline for the period of liquidation.	04/23/2024 - From SENATE Committee on TRANSPORTATION: Do pass to Committee on APPROPRIATIONS.
SB 1159 (Dodd)	Environmental Quality Act: Roadside Wildfire Risk		Relates to categorical exemptions to the requirements of the California Environmental Quality Act. Requires the Office of Planning and Research to evaluate, and the Secretary of the Natural Resources to consider, the inclusion of roadside projects no more than a specified number of road miles from a municipality or census designated place that are undertaken solely for the purpose of wildfire risk reduction in the classes of projects subject to a categorical exemption.	04/24/2024 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 1162 (Cortese)	Public Contracts: Employment Compliance Reports		Provides that existing law establishes requirements that apply when a public entity is required by statute or regulation to obtain an enforceable commitment that a bidder, contractor, or other entity will use a skilled and trained workforce to complete a contract or project. Requires the enforceable commitment to provide a specified report that will include the date of birth of each worker.	04/23/2024 - From SENATE Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
SB 1170 (Menjivar)	Political Reform Act of 1974: Campaign Funds		Applies a specified rule to physical health-related expenses only. Permits campaign funds to be used to pay or reimburse a non-incumbent candidate for reasonable and necessary mental	02/21/2024 - To SENATE Committee on ELECTIONS AND

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			healthcare expenses if the candidate does not have health insurance or has been denied coverage for mental healthcare expenses by their health insurance, as specified.	CONSTITUTIONAL AMENDMENTS.
SB 1174 (Min)	Elections: Voter Identification		Prohibits a local government from enacting or enforcing any charter provision, ordinance, or regulation requiring a person to present identification for the purpose of voting or submitting a ballot at any polling place, vote center, or other location where ballots are cast or submitted.	04/02/2024 - From SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS: Do pass to Committee on LOCAL GOVERNMENT.
SB 1175 (Ochoa Bogh)	Organic Waste: Reduction Goals: Local Jurisdictions		Provides that existing law requires the Department of Resources Recycling and Recovery to adopt regulations that achieve specified targets for reducing organic waste in landfills, and authorizes low-population and elevation waivers for a local jurisdiction based on a consideration of census tracts that exempt the jurisdiction from organic waste collection requirements. Requires the department to consider alternatives to census tracts when deciding the boundaries of a low-population or elevation waiver.	04/23/2024 - In SENATE. Read second time. To third reading.
SB 1181 (Glazer)	Campaign Contributions: Agency Officers		Provides that the Political Reform Act of 1974 prohibits certain contributions of more than \$250 to an officer of an agency by any party, participant, or party or participant's agent in a proceeding while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is rendered in the proceeding. Requires the agenda for a proceeding that is a public meeting to include a specified notice.	04/24/2024 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 1185 (Niello)	Water Conservation: Water Use Objectives	Watch	Provides that existing law requires the State Water Resources Control Board, in coordination with the Department of Water Resources, to adopt long-term standards for the efficient use of water. Requires the board to consider the policies relating to	04/23/2024 - In SENATE Committee on NATURAL RESOURCES AND WATER: Failed passage.

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			urban water use objectives and proposed efficiency standards' effects on water loss. Sets forth standards, policies, and procedures relating to water use objectives.	
SB 1205 (Laird)	Workers Compensation: Medical Benefits		Makes an employee who is working entitled to receive all reasonable expenses of transportation, meals, and lodging incident to receiving treatment, in addition to one day of temporary disability indemnity, or a percentage of one day of temporary disability indemnity representative of the percentage of the wages lost receiving treatment.	04/22/2024 - In SENATE Committee on APPROPRIATIONS: To Suspense File.
SB 1209 (Cortese)	Local Agency Formation Commission		Authorizes a LAFCO to require, as a condition for, among other things, processing a change of organization or reorganization, that the applicant agrees to defend, indemnify, and hold harmless the LAFCO, its agents, officers, and employees from and against any claim, action, or proceeding, as specified, arising from or relating to the action or determination by the LAFCO.	03/21/2024 - In SENATE. Read second time. To third reading.
SB 1210 (Skinner)	New Housing Construction	Seek Amendments	Requires electrical corporations, gas corporations, sewer system corporations, and water corporations, for new housing construction, to publicly post on their websites the schedule of fees for a service connection, capacity, or other point of connection charge for each housing development type, including, but not limited to, accessory dwelling unit, mixed-use, multifamily, and single-family developments, and the estimated timeframes for completing typical service connections needed for each type.	04/22/2024 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 1211 (Skinner)	Land Use: Accessory Dwelling Units		Prohibits the local agency from requiring the replacement of off street parking spaces if an uncovered parking space is demolished in conjunction with the construction of, or is converted to, an accessory dwelling unit. Authorizes up to a	04/23/2024 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

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			specified number of detached ADUs to be created on a lot with an existing multifamily dwelling, provided that the number of ADUs does not exceed the number of existing units on the lot, and up to 2 detached ADUs on a lot with a proposed multifamily dwelling.	
SB 1218 (Newman)	Water: Emergency Water Supplies	Support	Declares that it is the established policy of the state to encourage and incentivize, but not mandate, the development of emergency water supplies, and to support their use during times of water shortage.	04/23/2024 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on APPROPRIATIONS.
SB 1237 (Stern)	Methane		Replaces the term natural gas with the term methane throughout all of the state's codes. Authorizes, because some natural gas is not methane and some methane is not natural gas, the expenditure of continuously appropriated moneys for new purposes, thereby making an appropriation, and would also change the applicability of various charges, and the purposes for which revenues from those charges may be used.	04/16/2024 - In SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS: Not heard.
SB 1255 (Durazo)	Public Water Systems: Needs Analysis		Provides that existing law requires the State Water Resources Control Board to base the Safe and Affordable Drinking Water Fund expenditure plan on data and analysis drawn from a specified drinking water needs assessment. Requires the State Board to update a needs analysis of the State's public water systems to include an assessment of the funds necessary to provide a specified percent discount for low-income households served by certain community water systems to meet a specified affordability threshold.	04/17/2024 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on APPROPRIATIONS.
SB 1259 (Niello)	Environmental Quality Act: Judicial Review		Authorizes a defendant, in an action brought under CEQA, to file a motion requesting the plaintiff or petitioner to identify every person or entity that contributes in excess of a specified	04/03/2024 - In SENATE Committee on ENVIRONMENTAL QUALITY: Failed passage.;04/03/2024 - In SENATE Committee on

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			amount, as specified, toward the plaintiff's or petitioner's costs of the action.	ENVIRONMENTAL QUALITY: Reconsideration granted.
SB 1264 (Grove)	Employment Discrimination: Cannabis Use		Provides that existing law prohibits an employer from discriminating against a person because of the person's use of cannabis off the job, except applicants and employees hired for positions that require a Federal government background investigation or security clearance. Exempts certain other applicants and employees in sworn or nonsworn positions in law enforcement agencies, including applicants and employees who have functions related to civil enforcement matters, animal control, or coroner functions.	04/24/2024 - From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass as amended to Committee on APPROPRIATIONS.
SB 1266 (Limon)	Product Safety: Bisphenol		Provides that existing law prohibits the manufacture, sale, or distribution in commerce of any bottle or cup that contains bisphenol A if the bottle or cup is designed or intended to be filled with any liquid, food, or beverage intended primarily for consumption by children 3 years of age or younger. Applies such prohibitions and requirements to any children's feeding product or children's sucking or teething product that contains any form of bisphenol at a detectable level above 0.1 parts per billion.	04/24/2024 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 1293 (Ochoa Bogh)	Recall Elections: Notice of Intention		Provides that existing law governs the recall of elective officers of the State and of all counties, cities, other specified local public entities, and judges of courts of appeal and trial courts. Provides that existing law requires proponents of the recall to serve, file and publish a copy of the notice of intention. Requires the published copy of the notice of intention to omit, among other things, the proponents' signatures and street numbers and street names of their residence addresses.	04/08/2024 - In SENATE. Read second time and amended. Re-referred to Committee on JUDICIARY.

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SB 1294 (Ochoa Bogh)	Elections: Recall of Local Officers		Provides that existing law requires a recall petition to contain, among other things, a copy of the notice of intention that includes the names of at least 10 recall proponents that appear on the notice and that are selected by the proponents. Authorizes the proponents of a recall of a local officer to file with the elections official a notice withdrawing their petition at any time before the elections official submits the certificate of sufficiency to the governing body at its next regular meeting.	04/22/2024 - In SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS: Failed passage.;04/22/2024 - In SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS: Reconsideration granted.
SB 1325 (Durazo)	Public Contracts: Best Value Procurement: Goods		Authorizes a public entity to award contracts through a best value procurement method for the purchase of goods with a base value of a specified amount or more. Authorizes a public entity to award all contracts for the purchase of municipal fleets by using a best value procurement method.	04/17/2024 - From SENATE Committee on LOCAL GOVERNMENT: Do pass to Committee on APPROPRIATIONS.
SB 1328 (Bradford)	Elections		Authorizes the Secretary of State to impose additional conditions of approval for mail in ballot systems. Requires a ballot card manufacturer, ballot card finisher, or ballot on demand system vendor to provide notice within 24 hours of any flaw or defect that could adversely affect the future casting or tallying of votes.	04/16/2024 - From SENATE Committee on PUBLIC SAFETY: Do pass to Committee on APPROPRIATIONS.
SB 1330 (Archuleta)	Urban Retail Water Supplier: Water Use	Watch	Provides that existing law requires the Department of Water Resources, in coordination with the State Water Resources Control Board, to conduct necessary studies and investigations, and recommend for adoption by the board appropriate variances for unique uses that can have a material effect on an urban retail water supplier's urban water use objective. Provides that urban retail water suppliers may be liable for specified penalties for violating certain regulations after the specified date.	04/24/2024 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 1337 (Gonzalez)	Elections: Form of Petitions		Provides that existing law requires a State or local initiative, referendum, or recall petition that requires voter signatures and	04/16/2024 - From SENATE Committee on ELECTIONS AND

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			that a committee pays to circulate either to include a disclosure statement on the petition or for the circulator for the petition to present as a separate document the Official Top Funders sheet to a prospective signer of the petition. Requires a State referendum petition to include a different disclosure statement on the first page of the referendum petition.	CONSTITUTIONAL AMENDMENTS: Do pass to Committee on APPROPRIATIONS.
SB 1340 (Smallwood-Cueva)	Discrimination		Requires a contractor or subcontractor under an infrastructure contract awarded by a State agency to report to the Civil Rights Department specified demographic data. Requires the contractor or subcontractor to conduct a survey to collect this data. Requires the department to annually publish a report summarizing certain data and requires data collected pursuant to these provisions to be confidential.	04/25/2024 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 1345 (Smallwood-Cueva)	Employment Discrimination: Criminal History		Makes it an unlawful employment practice for an employer to take an adverse action against an applicant based solely or in part on criminal history information, unless the employer can demonstrate that the applicant's history has a direct and adverse relationship with one or more specific duties of the job and business necessity requires the adverse action. Requires an employer to provide to an applicant a written notice when requesting an applicant's authorization to obtain criminal history information.	04/16/2024 - In SENATE Committee on JUDICIARY: Not heard.
SB 1360 (Alvarado-Gil)	Water Quality: State Board Certification		Provides that the Porter-Cologne Water Quality Control Act authorizes the Water Resources Control Board to certify or provide a statement to a Federal agency that there is reasonable assurance that an activity subject to Board jurisdiction will not reduce water quality below applicable standards. Requires the Board to issue the certificate or statement before completion of the environmental review if it is determined that the project will	03/18/2024 - From SENATE Committee on RULES with author's amendments.;03/18/2024 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.

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			help meet State clean energy goals and increase electric reliability.	
SB 1366 (Hurtado)	Real Property Disclosure Requirements: Domestic Water		Provides that existing law authorizes the Water Resources Control Board to provide grants to eligible applicants to be used to provide interim relief to households in which a private water well has gone dry, or has been destroyed, due to drought, wildfire, or natural disaster. Requires a seller of any real property who received such assistance or is aware the property received assistance and the property still has the domestic water storage tank to deliver a disclosure statement to the prospective buyer.	04/18/2024 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.
SB 1373 (Cortese)	Water Data Dashboard		Relates to the Open and Transparent Water Data Act. Requires the Department of Water Resources, while seeking input from the State Water Data Consortium, to create a water data dashboard that is accessible through its internet website. Includes related findings and declarations.	04/23/2024 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on APPROPRIATIONS.
SB 1374 (Becker)	Net Energy Metering		Provides that existing law requires the Public Utilities Commission to develop a standard contract or tariff, which may include net energy metering, for eligible customer-generators with a renewable electrical generation facility that is a customer of a large electrical corporation. Requires the commission to ensure that any contract or tariff for certain facilities meet certain requirements, including that eligible customer-generators are authorized to elect to aggregate the electrical load.	04/22/2024 - From SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS: Do pass to Committee on APPROPRIATIONS.
SB 1390 (Caballero)	Groundwater Recharge: Floodflows: Diversion		Provides that existing law requires a person or entity making a diversion of floodflows for groundwater recharge purposes to file with the State Water Resources Control Board a final report 15 days after the diversions cease. Extends operation of certain requirements to diversions commenced before the specified	04/24/2024 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

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			date. Revises, recasts, and expands the conditions that are required to be met for the diversion of flood waters for groundwater recharge that do not require an appropriative water right.	
SB 1393 (Niello)	Advanced Clean Fleets Regulation Appeals Committee		Requires the State Air Resources Board to establish the Advanced Clean Fleets Regulation Appeals Advisory Committee by an unspecified date for purposes of reviewing appeals of denied requests for exemptions from the requirements of the Advanced Clean Fleets Regulation. Requires the committee to include representatives of specified state agencies, other state and local government representatives, and representatives of private fleet owners.	04/03/2024 - In SENATE Committee on ENVIRONMENTAL QUALITY: Failed passage.;04/03/2024 - In SENATE Committee on ENVIRONMENTAL QUALITY: Reconsideration granted.
SB 1402 (Min)	30x30 Goal: State Agencies		Provides that existing law provides that it is the goal of the State to conserve at least 30 percent of the State's lands and coastal waters by 2030, known as the 30x30 goal. Requires all State agencies, departments, boards, offices, commissions, and conservancies to consider the 30x30 goal when adopting, revising, or establishing plans, policies, and regulations that directly affect land use, management of natural resources, water use and quality, or biodiversity conservation.	04/23/2024 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on APPROPRIATIONS.
SB 1404 (Glazer)	Political Reform Act of 1974: Audits		Transfers the responsibility for conducting audits and field investigations of lobbying reports to the Fair Political Practices Commission. Requires the Secretary of State to impose an additional fee, established by the commission, not to exceed a specified amount per year, to lobbying firms and lobbyist employers subject to audit to offset costs associated with conducting audits and investigations. Provides that this fee would be deposited in the Field Audits and Investigations Fund. Appropriates funds.	04/15/2024 - In SENATE Committee on APPROPRIATIONS: To Suspense File.

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SB 1422 (Allen)	Disclosures: Travel DISCLOSE Act		Requires any person that regularly organizes and hosts travel for elected officials and spends more than a specified amount in a calendar year, or more than a certain number in a calendar year for a single person, for travel by an elected State officer or local elected officeholder, to file certain disclosures with the Fair Political Practices Commission. Provides that a violation of the Political Reform Act of 1974 is punishable as a misdemeanor.	04/16/2024 - From SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS: Do pass to Committee on APPROPRIATIONS.
SB 1431 (Cortese)	San Jose State University: Fire Building Protection		Prohibits the State Fire Marshal from having authority over the development of a project known as Spartan Village on the Paseo for use by San Jose State University, including related improvements associated with that project, for the purpose of fire or life safety activities, other safety-related activities, plan checks, inspections, building permits, or certificates of occupancy, conditional or otherwise.	04/11/2024 - In SENATE. Read second time and amended. Re-referred to Committee on GOVERNMENTAL ORGANIZATION.
SB 1439 (Ashby)	Surplus Land Act		Defines exempt surplus land to include land that is being or will be developed for a health facility, as defined and specified.	02/29/2024 - To SENATE Committee on LOCAL GOVERNMENT.
SB 1440 (Laird)	Water Quality: Stormwater: Reporting		Provides that existing law requires the State Water Resources Control Board to annually prepare a report that includes, among other things, a list of persons notified of their duty to comply with applicable stormwater permits and a description of the responses received to those notifications. Requires the annual report to include a description of reasonable efforts undertaken by regional boards to identify dischargers of stormwater that have not obtained coverage under an appropriate stormwater permit.	04/24/2024 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on APPROPRIATIONS.
SB 1467 (Rubio)	California Water District Law		Authorizes a water district, by using any water or water supplies furnished to the district or used by the district, to construct, maintain, and operate plants for the generation of hydroelectric	02/29/2024 - To SENATE Committee on RULES.

IRWD 2024 LEGISLATIVE MATRIX
Updated: *April 25, 2024*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			power from those water and transmission lines for the conveyance of that power.	
SB 1497 (Menjivar)	Polluters Pay Climate Cost Recovery Act of 2024		Enacts the Polluters Pay Climate Cost Recovery Act of 2024 and establishes the Polluters Pay Climate Cost Recovery Program to be administered by the State Environmental Protection Agency to require fossil fuel polluters to pay their fair share of the damage caused by the sale of their products during the covered period to relieve a portion of the burden from climate harms that is borne by State taxpayers. Appropriates funds.	04/25/2024 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 1522 (Agriculture)	Fertilizing Material		Revises the definition of fertilizing materials to instead mean any commercial fertilizer, agricultural mineral, beneficial substance, or organic input material. Eliminates the label registration requirement for auxiliary soil and plant substances and packaged soil amendments and would apply that requirement to beneficial substances.	04/23/2024 - From SENATE Committee on GOVERNMENTAL ORGANIZATION: Do pass to Committee on APPROPRIATIONS.
SCAB 2 (Stern)	Elections: Voter Qualifications		Provides that the California Constitution allows a United States citizen who is at least 18 years of age and a resident of the State to vote. Reduces the minimum voting age to a specified age.	09/01/2023 - From SENATE Committee on APPROPRIATIONS: Be adopted.;09/01/2023 - In SENATE. Ordered to third reading.
SCAB 3 (Niello)	Elections: Initiatives and Referenda		Transfers from the Attorney General to the Legislative Analyst the duty of preparing the title and summary for a proposed initiative or referendum. Requires, for each measure that appears on a statewide ballot, the Legislative Analyst to prepare the ballot label and the ballot title and summary for the state voter information guide.	09/01/2023 - In SENATE Committee on APPROPRIATIONS: Held in committee.
HB 1430 (Valadao)	National Environmental Policy Act Review Requirements	Support	Directs the Secretary of the Interior and the Secretary of Agriculture to use certain previously completed environmental assessments and environmental impact statements to satisfy the	04/25/2023 - In HOUSE Committee on AGRICULTURE: Referred to Subcommittee on FORESTRY.

IRWD 2024 LEGISLATIVE MATRIX
Updated: April 25, 2024

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			review requirements of the National Environmental Policy Act of 1969.	
HB 2964 (McClain)	Do Not Flush Labeling Requirements	Support	Requires the Federal Trade Commission to issue regulations requiring certain products to have Do Not Flush labeling.	04/05/2024 - From HOUSE Committee on ENERGY AND COMMERCE: Reported as amended.;04/05/2024 - In HOUSE. Placed on HOUSE Union Calendar.
HB 3027 (Porter)	Reclamation Climate Change and Water Program Funding	Support	Reauthorizes funding for the Reclamation Climate Change and Water Program.	06/09/2023 - In HOUSE Committee on NATURAL RESOURCES: Referred to Subcmt on WATER, WILDLIFE AND FISHERIES.
HB 7944 (Curtis)	Liability Exemption for Certain Entities under CERCLA		Exempts certain entities from liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 with respect to releases of perfluoroalkyl and polyfluoroalkyl substances.	04/11/2024 - INTRODUCED.;04/11/2024 - To HOUSE Committee on ENERGY AND COMMERCE.;04/11/2024 - To HOUSE Committee on TRANSPORTATION AND INFRASTRUCTURE.
HB 8032 (Sorensen)	Low-Income Water Assistance Authorization		Authorizes the Low-Income Household Water Assistance Program.	04/16/2024 - INTRODUCED.;04/16/2024 - To HOUSE Committee on TRANSPORTATION AND INFRASTRUCTURE.;04/16/2024 - To HOUSE Committee on ENERGY AND COMMERCE.
SB 1350 (Merkley)	Do Not Flush Labeling Regulations	Support	Requires the Federal Trade Commission to issue regulations requiring certain products to have Do Not Flush labeling.	04/27/2023 - INTRODUCED.;04/27/2023 - In SENATE. Read second time.;04/27/2023 - To SENATE Committee on COMMERCE, SCIENCE, AND TRANSPORTATION.

IRWD 2024 LEGISLATIVE MATRIX

Updated: *April 25, 2024*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
SB 1429 (Lummis)	PFAS Substance Liability Exemptions	Support	Exempts certain entities from liability under the Comprehensive Environmental Response, Compensation, and Liability Act of specified year with respect to releases of perfluoroalkyl and polyfluoroalkyl substances (PFAS).	05/03/2023 - INTRODUCED.;05/03/2023 - In SENATE. Read second time.;05/03/2023 - To SENATE Committee on ENVIRONMENT AND PUBLIC WORKS.
SB 3830 (Padilla)	Low-Income Household Water Assistance Program		Authorizes the Low-Income Household Water Assistance Program.	02/28/2024 - INTRODUCED.;02/28/2024 - In SENATE. Read second time.;02/28/2024 - To SENATE Committee on HEALTH, EDUCATION, LABOR AND PENSIONS.

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May 13, 2024
Prepared by: Lisa Srader
Submitted by: Tiffany Mitcham
Approved by: Paul A. Cook

CONSENT CALENDAR

ADOPTION OF REVISED IRWD SCHEDULE OF POSITIONS AND SALARY RATE RANGES

SUMMARY:

A periodic review of current budgeted positions has determined the need for additional adjustments to IRWD's Schedule of Positions and Salary Rate Ranges. Staff recommends the Board adopt a resolution superseding Resolution No. 2024-5 (adopted on March 25, 2024) and adopt a revised Schedule of Positions and Salary Rate Ranges.

BACKGROUND:

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

- Upgrade Digital Communications Specialist (U10.E) to Digital Communications Analyst (U11.E)
- Retitle Communications Analyst/Deputy PIO (U13.E) to Senior Communications Analyst/Deputy PIO (U13.E)

While the changes to the positions and salary grades listed above are within the General Manager's authority, CalPERS requires that each employment position and pay rate be identified in a publicly available pay schedule (CalPERS Regulations, 2 CCR 570.5). Provided as Exhibit "A" is the proposed resolution for adoption with the revised Schedule of Positions and Salary Rate Ranges effective May 13, 2024.

FISCAL IMPACTS:

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

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

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

RECOMMENDATION:

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

RESOLUTION NO. 2024 – 6

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT SUPERSEDING
RESOLUTION NO. 2024-5 AND ADOPTING A REVISED
SCHEDULE OF POSITIONS AND SALARY RATE RANGES
FOR THE GENERAL UNIT, NON-EXEMPT SUPERVISOR
UNIT, AND FOR MANAGERS, EXEMPT SUPERVISORS,
CONFIDENTIAL AND EXEMPT EMPLOYEES

LIST OF EXHIBITS:

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

EXHIBIT “A”

RESOLUTION NO. 2024 –6

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, SUPERSEDING
RESOLUTION NO. 2024-5 AND ADOPTING A REVISED
SCHEDULE OF POSITIONS AND SALARY RATE RANGES

The Board of Directors of Irvine Ranch Water District, by adoption of Resolution No. 2024-5 on March 25, 2024, established a Schedule of Positions and Salary Rate Ranges of the Irvine Ranch Water District; and

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

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

Section 1. That the Schedule of Positions and Salary Rate Ranges adopted by Resolution No. 2024-5 on March 25, 2024, is hereby superseded effective May 13, 2024.

Section 2. That the revised Schedule of Positions and Salary Rate Ranges for the Irvine Ranch Water District as set forth in Exhibit “A” attached to this Resolution, and is effective May 13, 2024, for all classifications, is hereby approved and adopted.

ADOPTED, SIGNED and APPROVED on May 13, 2024.

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

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

APPROVED AS TO FORM:

Hanson Bridgett LLP

By: _____

District Counsel

IRVINE RANCH WATER DISTRICT
MONTHLY SALARY GRADE SCHEDULE
Managers, Exempt Supervisors, Confidential & Exempt Employees
Effective May 13, 2024

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

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

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

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

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

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

IRVINE RANCH WATER DISTRICT
MONTHLY SALARY GRADE SCHEDULE
Non-Exempt Supervisors Unit
Effective May 13, 2024

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

IRVINE RANCH WATER DISTRICT
MONTHLY SALARY GRADE SCHEDULE
General Employees Unit
Effective May 13, 2024

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

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

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

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

May 13, 2024

Prepared by: J. Davis

Submitted by: N. Adly

Approved by: Paul A. Cook



ACTION CALENDAR

PROPOSED 2024 DEBT ISSUANCE FOR REFUNDING OF THE 2010 BUILD AMERICA BONDS

SUMMARY:

Staff, along with the District's municipal financial advisor, Public Financial Management (PFM), have evaluated unsolicited underwriter proposals and recommendations related to refunding IRWD's 2010 Build America Bonds (BABs). On April 2, 2024, the Finance and Personnel Committee approved the issuance of fixed rate General Obligation Bonds (GO) in an amount sufficient to refund the 2010 BABs (par amount of approximately \$160 million to \$180 million), with neutral or positive interest savings to the District. Staff recommends that the Board adopt a resolution approving the issuance of consolidated fixed rate GO Bonds to refund the 2010 BABs, Official Statement, and Indenture.

BACKGROUND:

IRWD's 2010 BABs, originally marketed by Goldman Sachs, currently have \$175.0 million of outstanding principal at a fixed rate of 4.44% with subsidy. Without subsidy the rate would be 6.62%. The BABs were issued with a make-whole call with an Extraordinary Redemption Provision (ERP), which would allow the District to redeem the 2010 BABs with a lower cost make-whole call versus the standard make-whole call upon the occurrence of an Extraordinary Event.

Recently, it was determined that an ERP event was triggered because of Federal legislation mandating sequestration which therefore reduced the amount of the subsidy. Based on market close May 3, 2024, a refunding of the 2010 BABs issue may generate expected savings to IRWD of approximately \$1.0 million to \$1.5 million, would include a 10-year par call and would eliminate the risk of sequestration affecting the subsidy.

Legal counsel has prepared a resolution providing for approval of the new issuance to refund the 2010 BABs and financing documents in substantially final form, which include a Contract of Purchase with Goldman Sachs, an Indenture of Trust Agreement with Bank of New York Mellon, and a Preliminary Official Statement, which are attached as Exhibit "A", "B", "C", and "D", respectively.

The proposed GO bonds will be issued in fixed rate mode as identified in the indenture. At the 10-year call date the District may refund the bonds and reissue them in variable rate mode, which would provide an opportunity for a multi-modal indenture.

Good Faith Estimates:

California Senate Bill 450 requires, prior to a new issuance of bonds, a public agency to disclose in a public meeting good faith financing estimates provided by an Underwriter, Municipal Advisor, or private lender. These estimates include: (1) the True Interest Cost of the bonds; (2) the total finance charge of the bonds, equal to the sum of all fees and charges paid to third parties; (3) the amount of estimated bond proceeds minus the total finance charge of the bonds, and any reserves funded from proceeds of the bonds; and (4) the total payment amount, which includes the projected sum of all payments the the District will make to pay debt service on the bonds plus any portion of the finance charge of the bonds that will not be paid with the proceeds of the bonds. The following information was obtained from PFM Financial Advisors LLC, as Municipal Advisor, and is provided in compliance with SB 450:

1. *True Interest Cost:* Assuming a par amount of \$164,545,000 of Refunding Series 2024A Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to equal the purchase price received for the bonds, is 3.35%.
2. *Finance Charge:* A good faith estimate of the finance charge of the bonds, which means the sum of all fees and charges paid to third parties, is \$800,643.04.
3. *Amount of Proceeds to be Received:* A good faith estimate of the amount of proceeds expected to be received for sale of the bonds less the finance charge of the bonds described in No. 2, above, and any reserves or capitalized interest paid or funded with proceeds of the bonds, is \$190,641,361.66.
4. *Total Payment Amount:* Assuming a par amount of \$164,545,000 is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the bonds plus the finance charge of the bonds described in No. 2 above, not paid with the proceeds of the bonds, calculated to the final maturity of the bonds, is \$264,393,835.42.

Staff recommends the Board adopt a resolution approving the issuance of consolidated fixed rate GO Bonds to refund the 2010 BABs and financing documents in connection with the issuance.

COMMITTEE STATUS:

The 2024 proposed debt issuance was reviewed by the Finance and Personnel Committee on April 2, 2024.

FISCAL IMPACTS:

A refunding of the 2010 BABs may generate savings to IRWD of approximately \$1.0 million to \$1.5 million, as of market close on May 3, 2024. The underwriter fees and cost of issuance, including legal, rating agencies, and trustee expenses are estimated to be approximately \$800,000.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2024-7

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT
APPROVING THE FORMS AND AUTHORIZING THE EXECUTION AND
DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT AND
AN OFFICIAL STATEMENT, A CONTRACT OF PURCHASE,
A CONTINUING DISCLOSURE CERTIFICATE, AN INDENTURE OF TRUST,
AND THE ISSUANCE OF THE BONDS OF IRVINE RANCH WATER DISTRICT,
REFUNDING SERIES 2024A, AND AUTHORIZING THE EXECUTION AND
DELIVERY OF ALL RELATED DOCUMENTS

LIST OF EXHIBITS:

- Exhibit “A” – Resolution approving the issuance of consolidated fixed rate GO Bonds to refund the 2010 BABs and financing documents
- Exhibit “B” – Contract of Purchase
- Exhibit “C” – Indenture of Trust
- Exhibit “D” – Preliminary Official Statement

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Exhibit "A"

RESOLUTION NO. 2024-7

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT
APPROVING THE FORMS AND AUTHORIZING THE EXECUTION AND
DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT AND
AN OFFICIAL STATEMENT, A CONTRACT OF PURCHASE,
A CONTINUING DISCLOSURE CERTIFICATE, AN INDENTURE OF TRUST,
AND THE ISSUANCE OF THE BONDS OF IRVINE RANCH WATER DISTRICT,
REFUNDING SERIES 2024A, AND AUTHORIZING THE EXECUTION AND
DELIVERY OF ALL RELATED DOCUMENTS

A. The Irvine Ranch Water District (“**IRWD**” or the “**District**”) previously issued the “Bonds of Irvine Ranch Water District, Series 2010B (Federally Taxable – Build America Bonds)” (the “**Series 2010B Bonds**”), constituting the consolidated several general obligations of IRWD's Improvement Districts Nos. 112, 113, 125, 188, 212, and 225 (the “**Improvement Districts**”).

B. The District is authorized pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code (the “**Refunding Law**”) to issue refunding notes or bonds for the purpose of refunding any evidence of indebtedness of the District.

C. The District now intends by this Resolution to: authorize the refunding of the Series 2010B Bonds by issuing its **Irvine Ranch Water District Refunding Series 2024A Bonds** (the “**Refunding Series 2024A Bonds**”); approve and authorize the execution, delivery, and distribution of the Preliminary Official Statement and Official Statement for the Refunding Series 2024A Bonds; approve and authorize the execution of the Indenture of Trust between IRWD and The Bank of New York Mellon Trust Company, N.A. (the “**Trustee**”) for the Refunding Series 2024A Bonds (“**Indenture**”), a Continuing Disclosure Certificate relating to the Refunding Series 2024A Bonds (the “**Continuing Disclosure Certificate**”) and the Contract of Purchase between IRWD and Goldman Sachs & Co. LLC (the “**Underwriter**”) for the purchase and sale of the Refunding Series 2024A Bonds; and authorize the Treasurer, President, and Secretary to execute and deliver all related documents in order to facilitate the refunding.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF IRWD DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. The prudent management of the fiscal affairs of the District and of the Improvement Districts requires that refunding bonds be issued to refund the Series 2010B Bonds for the purposes of reducing debt service costs. The Board hereby authorizes the sale of the Refunding Series 2024A Bonds pursuant to the Refunding Law.

Section 2. The Board has evaluated the various factors associated with the issuance of the Bonds as consolidated bonds and has found that the sale of the Refunded Bonds as

consolidated bonds will not increase the cost that any Improvement District will pay for its bonds over the cost it would have paid had its bonds been sold separately.

Section 3. Preliminary Official Statement. The Preliminary Official Statement relating to the Refunding Series 2024A Bonds, to be dated the date determined by the Treasurer and in substantially the form presented to the Board of Directors at this meeting, is hereby approved with such changes thereto as the Treasurer with the concurrence of the President shall approve (such approval and concurrence to be conclusively evidenced by execution and delivery thereof). The Board of Directors hereby approves the use of the Preliminary Official Statement, including delivery of the Preliminary Official Statement in electronic form, in connection with the sale of the Refunding Series 2024A Bonds, and the Board of Directors hereby further approves the use of any supplements or amendments to the Preliminary Official Statement, including delivery of any such supplements or amendments in electronic form, which the Treasurer shall determine are necessary so that such Preliminary Official Statement does not include any untrue statement of a material fact and does not omit to state a material fact necessary to make the statement therein not misleading. Prior to the distribution of the Preliminary Official Statement, the President, the Treasurer, the Secretary, and each other officer or member of the Board of IRWD (each a “**Designated Officer**”), acting singly, is hereby authorized to deem the Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, such action to be conclusively evidenced by the distribution of the Preliminary Official Statement.

Section 4. Official Statement. The Treasurer is hereby authorized and directed to execute the Official Statement and any amendments or supplements thereto, in the name and on behalf of IRWD and thereupon to cause the Official Statement and any such amendments or supplements to be delivered to the Trustee.

Section 5. Distribution of Preliminary Official Statement and Official Statement. The distribution by the Underwriter of the Preliminary Official Statement and the Official Statement, inclusive of the above-authorized changes, is hereby authorized in connection with the Refunding Series 2024A Bonds.

Section 6. Indenture of Trust. The execution and delivery of the Refunding Series 2024A Bonds Indenture of Trust, to be dated the date determined by the Treasurer and in substantially the form presented to the Board of Directors at this meeting, is hereby approved with such changes thereto as the Treasurer with the concurrence of any Designated Officer shall approve (such approval and concurrence to be conclusively evidenced by the execution and delivery thereof).

Section 7. Continuing Disclosure Certificate. The Continuing Disclosure Certificate in substantially the form set forth in the Preliminary Official Statement is hereby approved and authorized. The District’s obligation to provide the information as described therein is approved and each Designated Officer, acting singly, is hereby authorized, in the name and on behalf of the District, to execute and deliver the Continuing Disclosure Certificate in substantially said form, as required by Rule 15c2-12, with such immaterial changes, insertions and deletions therein as any Designated Officer shall approve (such approval and concurrence to be conclusively evidenced by the execution and delivery thereof).

Section 8. Contract of Purchase. Subject to the limitations with respect to the terms of the Refunding Series 2024A Bonds contained in this Section, the Contract of Purchase, in substantially the form on file with the Secretary and presented to the Board of Directors at this meeting, and the performance by the District of its obligations thereunder, are hereby approved, authorized and adopted. Each Designated Officer, acting singly, is hereby authorized, in the name and on behalf of the District, to execute and deliver to the Underwriter the Contract of Purchase in substantially said form, with such immaterial changes, insertions and deletions therein as any Designated Officer shall approve (such approval and concurrence to be conclusively evidenced by the execution and delivery thereof). The Designated Officer executing the Contract of Purchase is hereby authorized to determine the purchase price to be paid for the Refunding 2024A Bonds under the Contract of Purchase; provided however, that the underwriters' discount (exclusive of original issue discount) with respect to the Refunding 2024A Bonds shall not be more than 1% of the aggregation of the principal amounts of the Refunding 2024A Bonds. The sale of the 2024A Bonds to the Underwriter on the terms and conditions contained in the Contract of Purchase, as the same may be completed in accordance with the provisions of this Resolution, with such immaterial changes, insertions and deletions therein as are authorized hereby, is hereby approved and authorized.

Section 9. Further Authorization. Each Designated Officer, acting singly, is hereby authorized and directed to execute and deliver any and all documents and instruments (including, but not limited to the Tax Certificate), and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution.

Section 10. Effectiveness. This resolution takes effect immediately upon its adoption.

ADOPTED, SIGNED AND APPROVED on May 13, 2024.

President
IRVINE RANCH WATER DISTRICT

Secretary
IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:
Hanson Bridgett LLP

By: _____
General Counsel

Note: This page is intentionally left blank.

\$ _____
**Bonds of Irvine Ranch Water District
Refunding Series 2024A**

CONTRACT OF PURCHASE

_____, 2024

Board of Directors
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, California 92618

Ladies and Gentlemen:

Goldman Sachs & Co. LLC, as underwriter (the “**Underwriter**”) hereby offers to enter into this Contract of Purchase with the Irvine Ranch Water District (the “**District**”) for the issuance by the District and the purchase by the Underwriter of the Bonds of Irvine Ranch Water District, Refunding Series 2024A (the “**Bonds**”). This offer is made subject to acceptance by the District prior to 5:00 P.M., California Time, on the date hereof and, upon such acceptance, this Contract of Purchase shall be in full force and effect in accordance with its terms and shall be binding upon the District and the Underwriter. All terms that are not defined herein have the meanings set forth in the Official Statement (as such term is defined herein).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase and the District hereby agrees to sell to the Underwriter all (but not less than all) of the aggregate principal amount of the Bonds (as more fully described in the Official Statement), at an aggregate purchase price of \$_____ (representing the principal amount thereof less an underwriter’s discount of \$_____ and [plus/less] a [net] original issue [premium/discount] of \$_____). The Bonds shall be dated the date of their delivery and shall mature on the dates and in the principal amounts, and shall bear interest at the rates per annum shown on Exhibit A. The Bonds are being delivered to provide funds: (i) to redeem the outstanding Bonds of Irvine Ranch Water District, Series 2010B (Federally Taxable—Build America Bonds) (the “**2010B Bonds**”); and (ii) to pay certain costs of issuing the Bonds.

The Underwriter agrees to make a bona fide public offering of all of the Bonds at prices not in excess of the respective initial public offering prices set forth on the inside front cover page of the Official Statement. The Underwriter also reserves the right to change such initial public offering prices as the Underwriter deems necessary or desirable, in its sole discretion, in connection with the marketing of the Bonds, and may offer and sell Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriter at prices lower than the public offering prices set forth therein.

The Bonds shall be as described in, and shall be secured under and pursuant to, the Indenture of Trust, dated as of June 1, 2024 (the “**Indenture**”), by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**Trustee**”), substantially in the form that

was previously submitted to the Underwriter with only such changes therein as shall be mutually agreed upon by the District and the Underwriter. The Bonds constitute consolidated, several general obligations of Improvement District Nos. 112, 113, 125, 188, 212 and 225 (collectively, the “**Improvement Districts**” or individually, an “**Improvement District**”), which are geographical subdivisions of the District through which the District funds capital improvements. The Bonds are payable from the following sources in an amount that is proportionate to the principal amount of Bonds allocated to each of Improvement District: (i) Assessment Proceeds, consisting of *ad valorem* assessments on taxable land, In Lieu Charges and proceeds from the sale of property for the enforcement of delinquent assessments collected from within each Improvement District and applied by the District to pay such Improvement District’s Included Amount of the principal of and interest on the Bonds; (ii) Net Revenues of the District, consisting of the proceeds of water, sewer and reclaimed water rates and charges imposed by the District that remain after payment of Operation and Maintenance Expenses; and (iii) certain moneys and investment earnings in certain funds and accounts created under the Indenture.

The District acknowledges and agrees that: (a) the purchase and sale of the Bonds pursuant to this Contract of Purchase is an arm’s-length commercial transaction between the District and the Underwriter, and the only obligations that the Underwriter has to the District with respect to the transaction contemplated hereby expressly are set forth in this Contract of Purchase; (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principals and are not acting as a Municipal Advisor (as such term is defined in Section 15B of The Securities Exchange Act of 1934, as amended) to the District; (c) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District on other matters); (d) the Underwriter has financial and other interests that may differ from and be adverse to those of the District; and (e) the District has consulted its own legal, financial, accounting, tax and other advisors to the extent that it has deemed appropriate.

2. Use of Preliminary Official Statement and Official Statement. The District has approved the use and electronic distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement relating to the Bonds dated _____, 2024 in connection with the public offering of the Bonds (the “**Preliminary Official Statement**”). The District has deemed the Preliminary Official Statement final as of the date thereof for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“**Rule 15c2-12**”), except for information that is permitted to be omitted therefrom in accordance with paragraph (b)(1) of Rule 15c2-12. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the earlier of: (i) the third (3rd) business day preceding the Closing (as such term is defined herein); or (ii) the seventh (7th) day following the date of this Contract of Purchase: (A) the form of the final Official Statement relating to the certificates in “designated electronic format” (as defined in Municipal Securities Rulemaking Board (“**MSRB**”) Rule G-32); and (B) copies of the final Official Statement relating to the Bonds, dated the date hereof, in the form of the Preliminary Official Statement, with such changes thereto, as may be approved by the Underwriter (including the appendices thereto and any amendments or supplements as have been approved by the District and the Underwriter, the “**Official Statement**”), in such quantity as the Underwriter shall reasonably request. The District hereby approves of the distribution and use by the Underwriter of the Official Statement in connection with the offer and sale of the Bonds. The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the

MSRB and as may be agreed by the District and the Underwriter. If the Official Statement is prepared for distribution in electronic form, the District hereby confirms that it does not object to distributions of the Official Statement in electronic form.

3. Establishment of Issuance Price.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing (as defined herein) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Orrick, Herrington & Sutcliffe LLP, Los Angeles, California (“**Bond Counsel**”), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the District under this Section 3 to establish the issue price of the Bonds may be taken on behalf of the District by the District’s municipal advisor identified herein and any notice or report to be provided to the District may be provided to the District’s municipal advisor.

(b) Except as otherwise set forth in Exhibit A attached hereto, the District will treat the first price at which 10% of each maturity of the Bonds (the “**10% test**”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the District or Bond Counsel. For purposes of this Section 3, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the “**initial offering price**”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “**hold-the-offering-price rule**”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the District promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The District acknowledges that, in making the representations set forth in this Section 3, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in

the third-party distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section 3. Further, for purposes of this Section 3:

(i) “**public**” means any person other than an underwriter or a related party,

(ii) “**underwriter**” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “**related party**” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “**sale date**” means the date of execution of this Purchase Contract by all parties.

4. Warranties, Representations and Agreements of the District. The District warrants, represents to and agrees with the Underwriter that:

(a) The District is a California water district duly organized and existing under and by virtue of the California Water District Law, constituting Division 13 of the Water Code of the State and the Constitution and laws of the State, and has all necessary power and authority to enter into and perform its duties under: (i) the Indenture; (ii) the Continuing Disclosure Certificate dated the date of Closing (the “**Continuing Disclosure Certificate**”), executed by the District; and (iii) this Contract of Purchase (collectively, the “**District Documents**”) and, when executed and delivered by the respective parties thereto, the District Documents will constitute legal, valid and binding obligations of the District enforceable in accordance with their respective terms.

(b) The execution and delivery of the District Documents and compliance with the provisions on the District's part contained herein and therein, and execution and delivery of the Official Statement, will not conflict with, or constitute a breach of, or default under, the District's duties under said documents or any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is subject or by which it is bound, which conflict, breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest on the Bonds from the sources that are specified in the Indenture, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the District under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture.

(c) By official action of the District prior to or concurrently with the acceptance hereof, the District has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the District of the obligations on its part contained in, the District Documents and the consummation by it of all other transactions contemplated by the Official Statement and this Contract of Purchase.

(d) Except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, filing with or certification by any regulatory authority that has jurisdiction over the District which is required for the execution and delivery of the District Documents, the issuance and sale of the Bonds or the consummation by the District of the other transactions contemplated by the Official Statement and this Contract of Purchase.

(e) There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or governmental agency, public board or body pending or threatened against the District affecting the existence of the District or challenging the title of any director of the District or the President of the Board of Directors of the District to their respective offices, or seeking to prohibit, restrain or enjoin the issuance of the Bonds, or the collection of the revenues pledged pursuant to the Indenture, or the pledge thereof, in any way contesting or affecting the validity or enforceability of the District Documents or the Bonds, in any way contesting the powers of the District or its authority to enter into or perform its obligations under any of the foregoing, contesting in any way the completeness, accuracy or fairness of the Official Statement or in which a final adverse decision could materially adversely affect the operations or financial condition of the District or the ability of the District to perform its obligations under the District Documents.

(f) The District is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States, any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest on the Bonds, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and which default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents.

(g) The information contained in the Preliminary Official Statement as of its date was and as of the date hereof is, and in the Official Statement as of its date is and at all times up to and including the date of the Closing will be, true and correct in all material respects, and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no warranty, representation or agreement is made as to information contained under the caption “THE SERIES 2024A BONDS—Book-Entry Only System” or in Appendix E thereto.

(h) The District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order: (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and the District will use its best efforts to continue such qualification in effect so long as required for distribution of the Bonds; provided, however, that the District will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(i) As of the date thereof and at all times subsequent thereto, to and including the date which is 25 days following the End of the Underwriting Period (as such term is defined herein) for the Bonds, the Official Statement did not and, if no event as described in the immediately following subparagraph occurs or, if such event occurs the information contained in the Official Statement as amended or supplemented pursuant to such paragraph, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(j) During the period between the date of this Contract of Purchase and the date which is 25 days following the End of the Underwriting Period, the District: (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter; and (ii) if an event occurs, of which the District has knowledge, which might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact that is required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the District will promptly notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District will cooperate with the Underwriter in the preparation of an amendment or supplement to the Official Statement in a form and in a manner approved by the Underwriter, provided that all expenses thereby incurred will be paid for by the District.

(k) If the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the end of the Underwriting Period for the Bonds, the Official Statement as so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit

to state a material fact that is required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading.

(l) As used herein and for the purposes of the foregoing, the term “**End of the Underwriting Period**” shall mean the Closing unless the Underwriter advises the District that the Underwriter continue to hold Bonds for sale at the time of the Closing, in which case the “End of the Underwriting Period” shall have the meaning set forth in Rule 15c2-12.

(m) The financial statements of the District contained in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of operations of the District as of the dates and for the periods therein set forth in accordance with generally accepted accounting principles consistently applied and, other than as has been disclosed to the Underwriter and described in the Official Statement, there has been no material adverse change in the financial position or results of operations of the District since June 30, 2015.

(n) As of the date of Closing, other than as has been disclosed to the Underwriter and described in the Official Statement, there shall have been no increases in the long term debt of the District since June 30, 2023, or in any debt of the District secured by a pledge of or payable from Revenues or Net Revenues since June 30, 2023.

(o) Between the date hereof and the Closing, without the prior written consent of the Underwriter, the District will not have issued any bonds, notes or other obligations for borrowed money on behalf of the District, except for such borrowings as may be described in or contemplated by the Official Statement.

(p) Except as disclosed in the Official Statement, the District has not within the last five years failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12 to provide annual reports of financial and operating data or notices of material events.

The execution and delivery of this Contract of Purchase by the District shall constitute a representation by the District to the Underwriter that the representations and warranties contained in this Section 4 are true and correct as of the date hereof.

5. Closing. At 8:00 A.M., California Time, on _____, 2024, or at such other time or on such earlier or later date as the District and the Underwriter mutually agree upon (herein called the “**Closing**”), the District will deliver or cause to be delivered: (a) to The Depository Trust Company in New York, New York (“**DTC**”) or to such other place as the District and the Underwriter mutually agree upon, the Bonds in definitive form, duly executed; and (b) at the offices of Orrick, Herrington & Sutcliffe LLP, 777 South Figueroa Street, Suite 3200, Los Angeles, California 90017, or such other place as the District and the Underwriter mutually agree upon, the other documents hereinafter mentioned. The Bonds will be initially issued in the form of a separate single fully registered certificate for each separate stated maturity. Upon initial issuance, the ownership of such Bonds shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as the nominee of DTC.

CUSIP identification numbers shall be printed on the Bonds, but the failure to print such number on any Bond or any error with respect thereto shall not constitute cause for a failure or refusal by the Underwriter to accept delivery of, or pay for, the Bonds in accordance with the terms of this Contract of Purchase. All expenses in relation to the printing of CUSIP numbers on said

Bonds and the CUSIP Service Bureau charge for the assignment of said numbers shall be paid for by the District from Bond proceeds.

The Underwriter will accept delivery of the Bonds and pay the purchase price thereof in immediately available funds to the order of the Trustee in an amount equal to the purchase price. The Bonds will be made available for checking not later than 12:00 noon on the business day prior to the Closing.

6. Closing Conditions. The Underwriter has entered into this Contract of Purchase in reliance upon the representations and warranties of the District contained herein, all other representations, warranties and agreements to be contained in the documents and instruments to be delivered at Closing and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Contract of Purchase are and shall be subject to the following further conditions:

(a) at the time of Closing: (i) the District Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto; (ii) the District Documents and the Official Statement shall have been duly authorized, executed and delivered by the respective parties thereto, in substantially the forms heretofore submitted to the Underwriter; (iii) the District Documents and the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter; (iv) there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby; and (v) the representations and warranties of the District contained herein shall be true, correct and complete in all material respects on the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b) at or prior to the Closing, the Underwriter shall receive the following documents, in each case satisfactory in form and substance to the Underwriter and its counsel:

(1) The unqualified approving opinion of Bond Counsel, dated the date of Closing, addressed to the District, substantially in the form attached to the Official Statement as Appendix D, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriter and the Trustee, to the effect that the foregoing opinion addressed to the District may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion were addressed to the Underwriter and the Trustee.

(2) The supplemental opinion of Bond Counsel in form and substance satisfactory to the Underwriter, dated the date of Closing and addressed to the Underwriter, to the effect that:

(i) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(ii) the Contract of Purchase has been duly executed and delivered by the District and is a valid and binding agreement of the District; and

(iii) the statements contained in the Official Statement under the captions "THE SERIES 2024A BONDS," "SECURITY FOR THE SERIES 2024A BONDS," "TAX

MATTERS” and in Appendices C and D, excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources and information relating to DTC, insofar as such statements expressly summarize certain provisions of the Indenture and the form and content of Bond Counsel’s final legal opinions, are accurate in all material respects.

(3) The negative assurance letter of Bond Counsel in form and substance satisfactory to the Underwriter, dated the date of Closing and addressed to the Underwriter, to the effect that, based upon an examination that they have made, and without having undertaken to determine independently or assuming any responsibility for the accuracy or completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, as a matter of fact and not opinion, such counsel advises that, during the course of representation of the District on the matter, no facts came to the attention of the attorneys in such firm rendering legal services in connection with such representation that caused such counsel to believe that the Preliminary Official Statement, as of its date and as of the date of the Official Statement, and the Official Statement as of its date and as of the Closing (except for: (I) the expressions of opinion, the assumptions, the projections, the financial statements, or other financial, numerical, economic, demographic or statistical data contained in the Preliminary Official Statement or the Official Statement; (II) any CUSIP numbers or information relating thereto; (III) any information contained in Appendices B through F to the Preliminary Official Statement or the Official Statement; (IV) any information with respect to DTC and DTC’s book-entry system; (V) any information incorporated by reference into the Preliminary Official Statement or the Official Statement; (VI) the District’s compliance with its obligations to provide notice of the events described in part (b)(5)(i)(C) of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, or to file annual reports described in part (b)(5)(i)(A) of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended; and (VII) information with respect to the ratings on the Bonds and the rating agencies referenced therein, including but not limited to information under the caption “RATINGS”) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(4) An opinion of Hanson Bridgett LLP, Los Angeles, California, general counsel for the District, dated the date of Closing and addressed to the District and the Underwriter to the effect that:

(i) the District is a California water district that is duly organized and existing under and by virtue of the California Water District Law, constituting Division 13 of the Water Code of the State, and the Constitution and laws of the State, and has all necessary power and authority to enter into and perform its duties under the District Documents and, assuming the due authorization, execution and delivery of the District Documents by the other parties thereto, as applicable, the District Documents constitute legal, valid and binding obligations of the District that are enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors, remedies generally or the application of equitable principles when equitable remedies are sought, or except as rights of indemnity may be limited by principles of public policy;

(ii) the District’s execution and delivery of the District Documents and the performance by the District of its obligations contained therein, and the District’s execution and delivery of the Official Statement, will not and do not conflict with, or constitute a breach of or default under, the District’s duties under the District Documents or, to the best of such

counsel's knowledge, any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is subject or by which it is bound, which conflict, breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest on the Bonds, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the District under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture;

(iii) by official action of the District prior to the date hereof, the District has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the District of its obligations contained in, the District Documents and the consummation by it of all other transactions on its part contemplated by this Contract of Purchase;

(iv) except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, filing with or certification by any regulatory authority that has jurisdiction over the District which is required for the execution and delivery of the District Documents, the issuance and sale of the Bonds or the consummation by the District of the other transactions contemplated by the Official Statement and this Contract of Purchase;

(v) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or governmental agency, public board or body pending or, to the best of such counsel's knowledge, threatened against the District affecting the existence of the District, challenging the title of any director of the District or the President of the Board of Directors of the District to their respective offices, seeking to prohibit, restrain or enjoin the issuance of the Bonds, the collection of the Revenues pledged pursuant to the Indenture or the pledge thereof, in any way contesting or affecting the validity or enforceability of the District Documents or the Bonds, in any way contesting the powers of the District or its authority to enter into or perform its obligations under any of the foregoing, contesting in any way the completeness, accuracy or fairness of the Official Statement, or in which a final adverse decision could materially adversely affect the operations or financial condition of the District or the ability of the District to perform its obligations under the District Documents;

(vi) to the best of such counsel's knowledge, the District is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States, any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest on the Bonds, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which default or event of default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents; and

(vii) the information contained in the Preliminary Official Statement under the caption "LITIGATION" as of its date was, and in the Official Statement under

the caption "LITIGATION" is, true and correct in all material respects, and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(5) An opinion of counsel to the Trustee, dated the date of Closing addressed to the District and the Underwriter, in the form and substance satisfactory to Bond Counsel, the Underwriter and counsel to the Underwriter.

(6) The opinion of Stradling Yocca Carlson & Rauth LLP, counsel for the Underwriter, dated the date of Closing and addressed to the Underwriter, substantially to the effect that:

(i) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(ii) the provisions of the Continuing Disclosure Certificate comply with the requirements of Section (b)(5)(i) of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, to provide certain annual financial information and event notices to various information repositories at the times and as required by Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended; and

(iii) based upon an examination that they have made, and without having undertaken to determine independently or assuming any responsibility for the accuracy or completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, as a matter of fact and not opinion, such counsel advises that, during the course of representation of the Underwriter on the matter, no facts came to the attention of the attorneys in such firm rendering legal services in connection with such representation that caused such counsel to believe that the Preliminary Official Statement, as of its date and as of the date of the Official Statement, and the Official Statement as of its date and as of the Closing (except for: (I) the expressions of opinion, the assumptions, the projections, the financial statements, or other financial, numerical, economic, demographic or statistical data contained in the Preliminary Official Statement or the Official Statement; (II) any CUSIP numbers or information relating thereto; (III) any information contained in Appendices B through F to the Preliminary Official Statement or the Official Statement; (IV) any information with respect to DTC and DTC's book-entry system; (V) any information incorporated by reference into the Preliminary Official Statement or the Official Statement; (VI) the District's compliance with its obligations to provide notice of the events described in part (b)(5)(i)(C) of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, or to file annual reports described in part (b)(5)(i)(A) of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended; and (VII) information with respect to the ratings on the Bonds and the rating agencies referenced therein, including but not limited to information under the caption "RATINGS") contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(7) A certificate, dated the date of Closing, signed by a duly authorized official of the District satisfactory in form and substance to the Underwriter and counsel to the

Underwriter, to the effect that the representations and warranties made by the District in this Contract of Purchase are true and correct as of the date of Closing.

(8) A certificate, dated the date of Closing, signed by a duly authorized official of the Trustee satisfactory in form and substance to the Underwriter and counsel to the Underwriter, to the effect that:

(i) the Trustee is duly organized and existing as a national banking association in good standing under the laws of the United States of America and has the full power and authority to enter into and perform its duties under the Indenture and to authenticate the Bonds thereunder;

(ii) the Trustee is duly authorized to enter into the Indenture and to authenticate the Bonds pursuant to the terms of the Indenture, and has duly executed and delivered the Indenture, and assuming due authorization and execution by the District, the Indenture is legal, valid and binding upon the Trustee, and enforceable against the Trustee in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws at the time in effect affecting the rights of creditors generally, and by the availability of equitable remedies;

(iii) the Trustee has duly authenticated the Bonds under the Indenture and delivered the Bonds to or upon the order of the Underwriter;

(iv) no consent, approval, authorization or other action by any governmental or regulatory authority that has jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the issuance of the Bonds or the consummation by the Trustee of its obligations under the Indenture;

(v) the execution and delivery by the Trustee of the Indenture, compliance with the terms thereof and the issuance of the Bonds will not and do not conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material instrument to which the Trustee is a party or by which it is bound, or, to the Trustee's knowledge, any law or any rule, regulation, order or decree of any court or governmental agency or body that has jurisdiction over the Trustee or any of its activities or properties, or (except with respect to the lien of the Indenture) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee; and

(vi) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending or, to the best knowledge of the Trustee, threatened against or affecting the existence of the Trustee or seeking to prohibit, restrain or enjoin the authentication of the Bonds, in any way contesting or affecting the validity or enforceability of the Indenture against the Trustee or contesting the powers of the Trustee or its authority to enter into and perform its obligations under any of the foregoing, wherein an unfavorable decision, ruling or finding would, in any way, adversely affect the validity of the Bonds, the Indenture, or any agreement or instrument to which the Trustee is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby and by the Official Statement.

(9) Executed copies of each of the District Documents.

(10) Copies of the Preliminary Official Statement and copies of the Official Statement, with the Official Statement executed on behalf of the District by an authorized representative of the District.

(11) Certified copies of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the issuance of the Bonds and the Indenture.

(12) Copies of resolutions adopted by the District and certified by the Secretary of the District, authorizing or ratifying the execution and delivery of the District Documents and the approval of the Official Statement.

(13) Evidence satisfactory to the Underwriter that the Bonds have been assigned the ratings set forth in the Preliminary Official Statement and the Official Statement.

(14) Specimen Bonds.

(15) An executed Rule 15c2-12 certificate of the District, dated the date of the Preliminary Official Statement.

(16) Evidence of required filings with the California Debt and Investment Advisory Commission relating to the Bonds.

(17) A copy of the executed Blanket Issuer Letter of Representations by and between the District and DTC relating to the book-entry system.

(18) A report of a third party consultant with respect to the District's past compliance with continuing disclosure obligations under Rule 15c2-12.

(19) A Tax Certificate, dated the date of Closing, with respect to maintaining the tax-exempt status of the Bonds.

(20) An executed Internal Revenue Service Form 8038-G, dated the date of Closing.

(21) A verification report of Causey, Demgen & Moore P.C. (the "**Verification Agent**"), relating to the 2010B Bonds

(22) Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel and counsel for the Underwriter may reasonably request to evidence compliance by the District with legal requirements, the truth and accuracy, as of the time of Closing, of the representations contained herein and in the Official Statement and the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

(c) All matters relating to the Bonds and the sale thereof, the District Documents and the consummation of the transactions contemplated by this Contract of Purchase shall have been approved by the Underwriter and counsel for the Underwriter, which approval shall not be unreasonably withheld.

If the conditions to the Underwriter's obligations contained in this Contract of Purchase are not satisfied or waived or if the Underwriter's obligations shall be terminated for any reason permitted by this Contract of Purchase, this Contract of Purchase shall terminate and the Underwriter shall have no further obligation hereunder.

7. Termination. The Underwriter shall have the right to cancel its obligations to purchase the Bonds if, between the date hereof and the Closing, regardless of whether any of the following statements of fact were in existence or known of on the date of this Contract of Purchase:

(a) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State of California, or the amendment of legislation pending as of the date of this Contract of Purchase in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for the staff of either such Committee, or by the staff of the Joint Committee on taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or state authority affecting the federal or state tax status of the District, or the interest on bonds or notes (including the Bonds);

(b) there shall exist any event which in the reasonable opinion of the Underwriter either: (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement; or (ii) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information that are contained therein not misleading in any material respect;

(c) there shall have occurred any new outbreak of hostilities or other national or international calamity or crisis or the escalation of any such outbreak, calamity or crisis, the effect of such outbreak, calamity, crisis or escalation on the financial markets of the United States being such that it, in the reasonable opinion of the Underwriter, materially adversely affects the market price or marketability of the Bonds;

(d) there shall be in force a general suspension of trading on the New York Stock Exchange or other minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange or such other exchange, whether by virtue of a determination by that exchange or such other exchange or by orders of the Securities and Exchange Commission or any other governmental authority;

(e) a general banking moratorium shall have been declared by either federal, California or New York authorities having jurisdiction over such matters, which moratorium is in force;

(f) there shall be established any new restrictions on transactions in securities that materially affect the free market for securities (including the imposition of any limitations on interest rates) or the extension of credit by, or the charge to the net capital requirements of, underwriters established by the New York Stock Exchange, the Securities and Exchange Commission, any other federal or state agency or the Congress of the United States, or by Executive Order;

(g) an adverse event has occurred that affects the financial condition or operation of, the District which, in the opinion of the Underwriter, requires or has required a supplement or amendment to the Official Statement;

(h) the ratings of the Bonds shall have been downgraded, placed on credit watch or withdrawn by a national rating service, which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds;

(i) Any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by, any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price or marketability of the Bonds;

(j) Any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for the validity of the proceedings authorizing and approving the District Documents; or

(k) Legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency that has jurisdiction of the subject matter shall be issued or made to the effect that the authentication, delivery, offering or sale of obligations of the general character of the Bonds, or the authentication, delivery, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect.

8. Amendments to Official Statement. After the Closing: (a) the District will not adopt any amendment of or supplement to the Official Statement to which the Underwriter shall object in writing or which shall be disapproved by counsel for the Underwriter; and (b) if any event that relates to or affects the District shall occur as a result of which it is necessary, in the opinion of counsel to the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to an initial purchaser of the Bonds, subject to Section 7(b), the District will forthwith prepare and furnish to the Underwriter a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact that is necessary in order to make the statements therein,

in the light of the circumstances existing at the time the Official Statement is delivered to an initial purchaser of the Bonds, not misleading. For the purposes of this section, the District will furnish such information with respect to itself as the Underwriter may from time to time request.

9. Expenses. Whether or not the transactions contemplated by this Contract of Purchase are consummated, all expenses and costs of the District that are incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter, including, without limitation, the cost of printing or reproducing the Bonds, the District Documents, the Preliminary Official Statement and the Official Statement and all ancillary papers (in reasonable quantities), credit rating agency fees, the costs of obtaining CUSIP numbers for the Bonds, the fees of the Trustee, the fees and costs of any financial advisor, and related services, shall be paid from the proceeds of the Bonds, and to the extent or in the event not so paid shall be paid by the District. The District shall pay for expenses (included in the expense component of the spread) incurred on behalf of the District's employees that are incidental to implementing this agreement, including, but not limited to, meals, transportation and lodging of those employees. The Underwriter will pay their out-of-pocket expenses (other than out-of-state travel expenses in connection with the securing of a rating on the Bonds, if any), including the fees and disbursements of its counsel and advertising expenses, if any, in connection with the Bonds.

10. Notices. Any notice or other communication to be given to the Underwriter may be given by delivering the same to Goldman Sachs & Co. LLC, 2121 Avenue of the Stars, Suite 2600, Los Angeles, California 90067, Attention: Christopher Higgins. All notices or communications hereunder by any party shall be given and served upon each other party. Any notice or communication to be given the District under this Contract of Purchase may be given by delivering the same to the Irvine Ranch Water District, 15600 Sand Canyon Avenue, Irvine, California 92618, Attention: Treasurer.

11. Benefit. This Contract of Purchase is made solely for the benefit of the District and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the District in this Contract of Purchase shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds. The Underwriter may not assign this Contract of Purchase without the written consent of the District.

12. Counterparts. This Contract of Purchase may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

13. Entire Agreement. This Contract of Purchase constitutes the entire agreement among the parties hereby with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Contract of Purchase shall only be amended, supplemented or modified in a writing signed by both of the parties hereto.

14. This Contract of Purchase shall be governed by the laws of the State of California.

GOLDMAN SACHS & CO. LLC, as Underwriter

By _____
Authorized Signatory

Accepted and Agreed to:

IRVINE RANCH WATER DISTRICT

By: _____
Treasurer

EXHIBIT A

\$ _____
**Bonds of Irvine Ranch Water District,
Refunding Series 2024A**

<i>Maturity Date (May 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>
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^T Term Bond.

^(C) Priced to the optional prepayment date of May 1, 20__ at _____.

* 10% Test Maturities

** Hold-the-Price Maturities

EXHIBIT B

\$ _____
**Bonds of Irvine Ranch Water District,
Refunding Series 2024A**

ISSUE PRICE CERTIFICATE

The undersigned Goldman Sachs & Co. LLC, as underwriter (“**Goldman Sachs**”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “**Bonds**”).

1. ***Sale of the 10% Test Maturities.*** As of the date of this certificate, for each Maturity of the Bonds listed as a “10% Test Maturity” in Schedule A attached hereto, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A attached hereto.

2. ***[Initial Offering Price of the Hold-the-Price Maturities.***

(a) Goldman Sachs offered the “Hold-the-Price Maturities” (as listed in Schedule A attached hereto) to the Public for purchase at the respective initial offering prices listed in Schedule A attached hereto (the “**Initial Offering Prices**”) on or before the Sale Date.

(b) With respect to the Hold-the-Price Maturities, as agreed to in writing by Goldman Sachs in the Bond Purchase Agreement, dated _____, 2024, between Goldman Sachs and the Issuer, Goldman Sachs has not offered or sold any of the Hold-the-Price Maturities to any person at a price that is higher than or a yield lower than the respective Initial Offering Prices for such Maturities of the Bonds during the Holding Period.]

3. ***Pricing Wire or Equivalent Communication.*** A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

4. ***Defined Terms.***

(a) ***10% Test Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “10% Test Maturities.”

(b) ***Hold-the-Price Maturities*** means those Maturities of the Series 2020BCD Senior Bonds listed in Schedule A hereto as the “Hold-the-Price Maturities.”

(c) ***Holding Period*** means, with respect to a Hold-the-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which at least 10% of such Hold-the-Price Maturity was sold to the Public at prices that are no higher than or yields that are no lower than the Initial Offering Price for such Hold-the-Price Maturity.

(d) ***Issuer*** means the Irvine Ranch Water District.

(e) ***Maturity*** means Bonds with the same credit and payment terms Bonds with

different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

(g) *Related Party*. A purchaser of any Bonds is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to: (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(h) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2024.

(i) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Goldman Sachs’ interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP, as Bond Counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Forms 8038 and 8038-G, and other federal income tax advice that it may give to the Department from time to time relating to the Bonds.

GOLDMAN SACHS & CO. LLC

By _____
Authorized Representative

Dated: _____, 2024

SCHEDULE A

**SALE PRICES OF THE 10% TEST MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-PRICE MATURITIES**

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

Note: This page is intentionally left blank.

INDENTURE OF TRUST

by and between the

IRVINE RANCH WATER DISTRICT

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee**

Dated as of June 1, 2024

**BONDS OF IRVINE RANCH WATER DISTRICT,
REFUNDING SERIES 2024A**

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of June 1, 2024, by and between IRVINE RANCH WATER DISTRICT, a California water district (“IRWD” or the “District”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as Trustee;

W I T N E S S E T H:

WHEREAS, the District is authorized pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code (the “Refunding Law”) to issue refunding notes or bonds for the purpose of refunding any evidence of indebtedness of the District; and

WHEREAS, the Board of Directors of the District has determined that the prudent management of the fiscal affairs of the District and of the Improvement Districts requires that refunding bonds be issued to refund the Bonds of the Irvine Ranch Water District, Series 2010B (Federally Taxable – Build America Bonds) (the “Refunded Bonds”) for the purposes of reducing debt service costs; and

WHEREAS, the Board has evaluated the various factors associated with the issuance of the Bonds as consolidated bonds and has found that the sale of the Bonds of the Improvement Districts as consolidated bonds will not increase the cost that any Improvement District will pay for its bonds over the cost it would have paid had its bonds been sold separately; and

WHEREAS, pursuant to Resolution No. 2024-__ adopted by the Board of Directors of IRWD (capitalized terms used herein and not otherwise defined shall have the meanings given such terms pursuant to Section 1.01) on _____, 2024, a copy of which is attached hereto as Exhibit A, the Board authorized the issuance of bonds of the Improvement Districts; and

WHEREAS, the Board of Directors of the District deems it proper that consolidated bonds be issued as Bonds of Irvine Ranch Water District, Refunding Series 2024A (the “Bonds”), constituting the consolidated several general obligations of the Improvement Districts, to refund, the outstanding Refunded Bonds pursuant to Sections 36060 et seq. and Sections 36447 et seq. of the California Water Code, and pursuant to Section 53541 of the California Government Code; and

WHEREAS, Section 36447.15 of the California Water Code authorizes the District to provide credit enhancement for its consolidated general obligation bonds for improvement districts by pledging and applying all or any part of its revenues to the payment or security of any or all of the principal, purchase price and redemption price of such consolidated general obligation bonds, and the interest thereon, in the manner and upon the terms that the Board deems advisable; and

WHEREAS, the Board has determined it is in the best interest of the District to pledge the Revenues to the payment of the Bonds on a parity with the pledge of Revenues securing Parity Obligations as provided in the Indenture; and

WHEREAS, the Board has determined it is in the best interest of the District to pledge the Revenues to the payment of the Bonds on a parity with the pledge of Revenues securing Parity Obligations as provided in the Indenture; and

WHEREAS, the Board has adopted the criteria required by Section 36447.15 of the California Water Code to permit the pledge of Revenues to the payment of the Bonds as provided in the Indenture; and

WHEREAS, the Bonds shall constitute obligations of the District payable from the Net Revenues, and secured by a pledge of the Revenues, on a parity with the pledge of Revenues securing the Parity Obligations as well as the consolidated several general obligations of the Improvement Districts; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in the Indenture provided, the valid, binding and legal obligations of IRWD according to the import thereof, have been done and performed;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That IRWD, in consideration of the premises, the acceptance by the Trustee of those trusts hereby created and established with the Trustee, the purchase and acceptance of the Bonds by the purchasers thereof and other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, and Redemption Price of, and interest on, all Bonds Outstanding hereunder from time to time, according to their tenor and effect, and such other payments required to be made under the Indenture, and to secure the observance and performance by IRWD of all the covenants, expressed and implied herein and in the Bonds, does hereby grant, bargain, convey, assign, mortgage, pledge and grant a security interest unto the Trustee, and unto its successors in the trusts hereunder, and to them and their successors and assigns forever, in all right, title and interest of IRWD in, to and under, subject to the terms and conditions of the Indenture, the Trust Estate.

TO HAVE AND TO HOLD IN TRUST all of the same hereby pledged, conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors and assigns forever for the equal and ratable benefit of the registered owners from time to time of the Bonds authenticated hereunder and issued by IRWD and Outstanding and without any priority as to the Trust Estate of any one Bond over any other (except as expressly provided in or permitted by the Indenture), upon the trusts and subject to the covenants and conditions hereinafter set forth;

PROVIDED, HOWEVER, that if IRWD, its successors or assigns, shall well and truly pay, or cause to be paid, the principal and Redemption Price of, and interest on, the Bonds issued and secured hereunder, at the times and in the manner mentioned in such Bonds, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all of the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of the Indenture, then upon such final payments, the Indenture and the unvested rights hereby granted shall cease and terminate, otherwise the Indenture shall remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared that, all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property hereby granted, bargained, conveyed, assigned, mortgaged and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and IRWD has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective registered owners, from time to time, of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

SECTION 1.01 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 the Bonds and of any certificate, opinion, request 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:

“Accountant’s Report” means a report signed by an Independent Certified Public Accountant.

“Act” means the California Water District Law, Division 13 of the Water Code, as amended from time to time.

“Additional Redemption Amount” shall have the meaning given such term in subsection (b) of Section 3.02.

“Aggregate Debt Service” means, for any period, the Debt Service on all Outstanding Parity Obligations during such period.

“Applicable Fiscal Year” means, with respect to the satisfaction of the requirements of Section 5.17 with respect to additional Parity Obligations, that Fiscal Year as to which the audited financial statements of the District are available and which immediately precedes that Fiscal Year selected by the District in which either the additional Parity Obligations are issued or the Board adopts the resolution authorizing the issuance of such Parity Obligations.

“Assessment Proceeds” means, with respect to any Improvement District: (i) *ad valorem* assessments on taxable land in such Improvement District levied pursuant to the Act; (ii) In Lieu Charges fixed and collected by the District within such Improvement District; and (iii) proceeds from the sale of property in such Improvement District for the enforcement of delinquent assessments pursuant to the Act.

“Authorized Denominations” means \$5,000 and any integral multiple of \$5,000.

“Beneficial Owner” means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Board” means the Board of Directors of IRWD.

“Bond Counsel” means any firm of nationally recognized municipal bond attorneys selected by IRWD and experienced in the issuance of municipal bonds and the exclusion of the interest thereon from gross income for federal income tax purposes.

“Bond Depository” means a trust company or other financial institution which is registered as a “clearing agency” pursuant to the provisions of Section 17A of the Securities

Exchange Act of 1934, as amended, or is otherwise qualified under applicable law to act as securities custodian for Bonds on behalf of the Participants and the beneficial owners of interests in such Bonds and shall include DTC so long as DTC is the Owner of the Bonds pursuant to subsection (b) of Section 2.02.

“Bond Payment Fund” means the fund so defined and created in Section 4.02.

“Bond Proceeds Fund” means the fund established by the Trustee to accept the proceeds of the sale of the Bonds from the initial purchaser thereof.

“Bond Register” means books for the registration of the ownership, transfer or exchange of the Bonds required to be kept by the Trustee at its principal corporate trust office pursuant to the provisions of Section 2.08.

“Bonds” means the Bonds of Irvine Ranch Water District, Refunding Series 2024A issued pursuant to Section 2.01 that are authenticated and delivered by the Trustee hereunder, including any Bonds issued in exchange therefore or in lieu thereof.

“Business Day” means a day that is not a Saturday or Sunday or a day on which the Trustee, or banks or trust companies in New York, New York, or in Los Angeles, California, are not authorized or required to remain closed.

“Cede & Co.” means Cede & Co., the nominee of DTC as Bond Depository for any Bonds, and any successor nominee of DTC as such Bond Depository.

“Closing Date” means June __, 2024.

“Code” means the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate, dated June __, 2024, executed by IRWD in connection with the Bonds pursuant to Rule 15c2-12, as the same may be amended and supplemented from time to time.

“Costs of Issuance Fund” means the fund so defined and created in Section 4.05.

“Credit Support Agreement” means, (i) with respect to any Credit Support Instrument, other than a Revenue Enhancement Agreement, the agreement or agreements (which may be the Credit Support Instrument itself) between the District and the obligor under such Credit Support Instrument, as originally executed or as it may from time to time be replaced, supplemented or amended, providing for the reimbursement of payments under such Credit Support Instrument, and the interest thereon, and includes any subsequent agreement pursuant to which a substitute Credit Support Instrument is provided, together with any related pledge agreement, security agreement or other security document and (ii) with respect to any Revenue Enhancement Agreement, the Revenue Enhancement Agreement itself, together with any related pledge agreement, security agreement or other security document.

“Credit Support Instrument” means any of: (i) a policy of insurance, a letter of credit, a line of credit, a standby purchase agreement, revolving credit agreement or other credit

arrangement providing credit or liquidity support with respect to the payment of interest, principal or purchase price of any Parity Obligations; (ii) a Prior Reimbursement Agreement; or (iii) a policy of insurance, a letter of credit, a line of credit, a standby bond purchase agreement or other credit arrangement, including a Revenue Enhancement Agreement, providing credit or liquidity support with respect to the payment of interest, principal or purchase price of any General Obligation Bonds.

“**Debt Service**” means, for purposes of Section 5.16 and Section 5.17 with respect to any Outstanding Parity Obligations, and for purposes of Section 5.17 with respect to any additional Parity Obligations to be issued, and for any Fiscal Year, the sum of: (i) the interest on such Parity Obligations payable during such Fiscal Year (except to the extent that such interest is capitalized); (ii) the principal of such Parity Obligations maturing (including by declared acceleration of maturity) during such Fiscal Year; and (iii) the principal of and premium, if any, of such Parity Obligations coming due during such Fiscal Year by virtue of the mandatory redemption or prepayment of such Parity Obligations whether from mandatory sinking fund account payments or otherwise;

but minus the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for such Parity Obligations;

provided that, as to any such Parity Obligations (other than Credit Support Instruments) bearing or comprising interest at other than a fixed rate, for purposes of calculating Debt Service on such Parity Obligations, such Parity Obligations shall be assumed to bear interest at a fixed rate equal to SIFMA as of any date selected by the District which is within 30 days of the date of calculation;

and provided further that, as to any such Parity Obligation relating to an advance under a Credit Support Instrument and bearing or comprising interest at other than a fixed rate, for purposes of calculating Debt Service on such Parity Obligation, such Parity Obligation shall be assumed to bear interest at a fixed rate equal to the rate applicable to such advance as of the date of calculation;

and provided further that if any such series or issue of Parity Obligations has twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one Fiscal Year, Debt Service on such Parity Obligations shall be determined for the Fiscal Year of determination as if the principal of and interest on such series or issue of Parity Obligations were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation;

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

and provided further that if interest on such Parity Obligations is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (Section 1531 of Title I of Division B of the

American Recovery and Reinvestment Act of 2009), or any future similar program, then interest payments with respect to such Parity Obligations shall be excluded by the amount of such interest reasonably anticipated to be paid or reimbursed by the United States of America;

and provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Parity Obligations for which such debt service reserve fund was established and in each preceding year until such amount is exhausted;

and provided further that if principal and interest on such Parity Obligations is secured by a Revenue Enhancement Agreement, then the principal and interest payments with respect to such Parity Obligations shall be excluded to the extent of the amount of such principal and interest reasonably anticipated to be paid from (i) *ad valorem* assessments on taxable land levied by the District pursuant to the Act with respect to such Parity Obligations; (ii) In Lieu Charges; and (iii) proceeds from the sale of property pursuant to the Act for the enforcement of delinquent assessments with respect to such Parity Obligations, in each case pursuant to such Revenue Enhancement Agreement.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns. References herein to DTC shall include any nominee of DTC in whose name any Bonds are then registered.

“Electronic Notice” means notice through internet, e-mail or other electronic means of communication.

“Event of Default” means any occurrence or event specified in and defined by Section 6.01.

“Favorable Opinion of Bond Counsel” means, with respect to any action the occurrence of which requires such an opinion, an unqualified Opinion of Bond Counsel from a Bond Counsel to the effect that such action is permitted under the Act and the Indenture, complies with the Indenture and will not impair the exclusion of interest on the Bonds from gross income for purposes of federal income taxation or the exemption of interest on the Bonds from personal income taxation under the laws of the State (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Bonds).

“Fitch” means Fitch Ratings, and its successors or assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then “Fitch” shall be deemed to refer to any other nationally recognized municipal securities rating agency rating the Bonds at the request of IRWD.

“Funds” shall mean, collectively, the General Obligation Bond Fund, the Bond Payment Fund, the Costs of Issuance Fund, the Bond Proceeds Fund, the Rebate Fund created pursuant hereto, and any other accounts established hereunder.

“General Obligation Bond Fund” means the fund so defined and created in Section 5.02.

“General Obligation Bonds” means bonds issued by IRWD pursuant to the Act and payable from *ad valorem* assessments.

“Generally Accepted Accounting Principles” means accounting principles generally accepted in the United States and applied on a consistent basis set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants applicable to a government-owned utility applying all statements and interpretations issued by the Governmental Accounting Standards Board and statements and pronouncements of the Financial Accounting Standards Board which are not in conflict with the statements and interpretations issued by the Governmental Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, that are applicable to the circumstances as of the date of determination.

“Government Code” means the California Government Code, as amended.

“Government Contracts” means, collectively: (i) Agreement No. 7-805-550-0, the Loan Contract, dated February 1, 1988, between the State Water Resources Control Board and the District under the Water Reclamation Loan Program, Clean Water Bond Act of 1984, as amended and supplemented; (ii) Loan Contract No. 0-804-550-0, Water Reclamation Loan Program, Clean Water Bond Act of 1984, Loan Contract, dated June 1, 1990, between the State Water Resources Control Board and the District, as amended and supplemented and (iii) the 1996 Amended and Restated Allen-McColloch Pipeline Sublease, dated as of March 1, 1996, by and between the Municipal Water District of Orange County and the Los Alisos Water District (with respect to whose rights and obligations the District is the legal successor).

“Government Obligations” means and includes any of the following securities, if and to the extent the same are non-callable and not subject to redemption at the option of the issuer, at the time legal for investment of IRWD’s funds, as determined by IRWD: direct obligations of, or obligations the full and timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and including a receipt, certificate or any other evidence of a direct ownership interest in future payments of an obligation of, or fully and unconditionally guaranteed by, the United States of America, or in specified portions thereof held by a custodian in safekeeping for the holders of such receipt, certificate or any other evidence of ownership (which may consist of specified portions of interest thereon) which is rated or assessed in the highest rating category of each Rating Agency, but excluding any share or interest in any unitary investment trust or mutual fund unless such unitary investment trust or mutual fund is rated or assessed in the highest rating category of each Rating Agency.

“Improvement Districts” means Improvement District No. 112, Improvement District No. 113, Improvement District No. 125, Improvement District No. 188, Improvement District No. 212, and Improvement District No. 225 of IRWD.

“Included Amount” for an Improvement District and as of any time means the principal amount of Outstanding Bonds then allocable to such Improvement District. The initial Included Amounts are set forth in Section 2.01 and may be adjusted according to the terms hereof.

“Included Percentage” means, with respect to an Improvement District and as of any time, a fraction (i) the numerator of which is equal to the then Included Amount for such Improvement District and (ii) the denominator of which is equal to the par value of all then Outstanding Bonds, calculated to the fourth decimal place; provided, however, that on any date, the total of the Included Percentages for all Improvement Districts having Included Amounts of Outstanding Bonds on such date shall equal 100%. The initial Included Percentages are set forth in Section 2.01 and may be adjusted according to the terms hereof.

“Indenture” means this Indenture of Trust, dated as of June 1, 2024, by and between IRWD and the Trustee, as it may from time to time be supplemented or amended pursuant to the provisions hereof.

“Independent Certified Public Accountant” means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State, appointed and paid by the District, and who, or each of whom:

(A) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the District;

(B) does not have a substantial financial interest, direct or indirect, in the operations of the District; and

(C) is not connected with the District as a director, officer or employee of the District, but who may be regularly retained to audit the accounting records of and make reports thereon to the District.

“Independent Financial Consultant” means a financial consultant or firm of such consultants appointed by the District, and who, or each of whom: (1) is in fact independent and not under domination of the District; (2) does not have any substantial interest, direct or indirect, with the District; and (3) is not connected with the District as an officer or employee thereof, but who may be regularly retained to make reports thereto.

“In Lieu Charges” means water, sewer and reclaimed water charges, as applicable, which in the discretion of the Board of Directors of the District are fixed and collected in an Improvement District in lieu of *ad valorem* assessments pursuant to Sections 36425 and 35975 of the Act.

“Interest Account” means the account so defined and created in Section 4.02.

“Interest Payment Date” means each May 1 and November 1, commencing November 1, 2024.

“Investment Income” means the net income and net earnings of the District from the investment of its money, including without limitation investments in securities and in real estate (whether by mortgage, ownership, through interests in partnerships or joint ventures, or otherwise).

“IRWD” means Irvine Ranch Water District, a California water district.

“IRWD Representative” means each of the President of the Board, the General Manager, the Director of Finance and the Treasurer of IRWD, and any other person at the time designated to act on behalf of IRWD for purposes of the Indenture by the Board.

“Moody’s” means Moody’s Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by IRWD.

“Net Revenues” means, for any period of time, the Revenues for such period less the Operation and Maintenance Expenses for such period.

“Operating Systems” mean all property and rights in property owned by the District, and used by the District in providing water, sewer, surface runoff and/or reclaimed water services and any other utilities and services which the District may provide, including all facilities included in its water, sewer and reclaimed water systems, rights to water and capacity and other rights or interests in water production, transmission, treatment and disposal facilities, as now existing or hereafter acquired or constructed and as the same may be modified and expanded, including all replacements thereof and improvements thereto.

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

“Opinion of Bond Counsel” means a written opinion of Bond Counsel.

“Outstanding,” when used as of a particular time with reference to Bonds, means (subject to the provisions of Section 8.03) all Bonds delivered hereunder except --

- (i) Bonds cancelled by the Trustee or surrendered to the Trustee for cancellation;
- (ii) Bonds paid or deemed to have been paid within the meaning of Section 9.02; and

- (iii) Bonds in lieu of or in substitution for which replacement Bonds shall have been executed by IRWD and delivered by the Trustee hereunder.

“Owner” means the registered owner of a Bond, including the Bond Depository for the Bonds, if any, or its nominee.

“Parity Obligations” means: (i) the Bonds; (ii) the Prior Reimbursement Agreements; (iii) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1; (iv) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1; (v) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2; (vi) the Bonds of Irvine Ranch Water District Series 2016; (vii) the Installment Sale Agreement, dated as of September 1, 2016, among the District, the Irvine Ranch Water District Water Service Corporation and U.S. Bank National Association, as trustee; and (viii) any other Obligations which are payable from Net Revenues on a parity with the Parity Obligations and issued in accordance with Section 5.17.

“Participant” means an entity which is recognized as a participant in the book-entry system of maintaining records with respect to the Bonds by the Bond Depository.

“Permitted Investments” means and includes any of the following securities, if and to the extent the same are at the time legal for investment of IRWD’s funds, as determined by IRWD:

- (i) Government Obligations;
- (ii) Bonds, debentures, notes, participation certificates or other evidences of indebtedness issued, or the principal of and interest on which are unconditionally guaranteed, by the Federal National Mortgage Association, the Bank for Cooperatives, or the Federal Intermediate Credit Bank, the Federal Home Loan Bank System, the Federal Land Banks, the Government National Mortgage Association or any other agency or instrumentality of or corporation wholly owned by the United States of America when such obligations are backed by the full faith and credit of the United States of America;
- (iii) Obligations of any state of the United States of America or any political subdivision thereof, which at the time of investment are rated “A1/P-1” or higher by Moody’s and “A+” or higher by S&P or Fitch; or which are rated by Moody’s “VMIG 1” or better and by S&P “A-1” or better and by Fitch “F1” or better, with respect to commercial paper, or “MIG 1,” “SP-1+” or “F1+,” respectively, with respect to municipal notes;
- (iv) Bank time deposits evidenced by certificates of deposit (including those placed by a third party pursuant to an agreement between the District and the Trustee), other deposit products, demand deposits, time deposits, trust funds, trust accounts, interest bearing deposits overnight bank deposits, interest bearing money market accounts, and bankers’ acceptances, issued by any bank, trust company or national banking association (including the Trustee or any of its affiliates) insured by the Federal Deposit Insurance Corporation or the Securities Investors Protection Corp.; provided (a) (1) that such bank, trust company, or national

banking association is rated “A1/P-1” or better by Moody’s and “A+” or better by S&P or Fitch, or else that all of the securities acquired pursuant to this subsection (iv) are for amounts of \$100,000 or less, and with maturities of no longer than 365 days; and, (2) that (x) the aggregate of such bank time deposits and bankers’ acceptances issued by any bank, trust company or banking association does not exceed at any one time 10% of the aggregate of the capital stock, surplus and undivided profits of such bank, trust company or banking association and that such capital stock, surplus and undivided profits shall not be less than \$25,000,000, or else that (y) such deposits are fully and continuously secured by a valid and perfected prior security interest in obligations described in paragraph (i) or (ii) of this definition or (b) such investments are insured by the Federal Deposit Insurance Corporation;

- (v) Repurchase or reverse repurchase agreements with any bank, trust company or national banking association (including the Trustee or any of its affiliates) insured by the Federal Deposit Insurance Corporation or the Securities Investors Protection Corp.; provided that such bank, trust company or national banking association is rated “A1” or better by Moody’s and “A+” or better by S&P or Fitch, or with any government bond dealer recognized as a primary dealer by the Federal Reserve Bank of New York, which agreements are fully and continuously secured by a valid and perfected priority security interest in obligations described in paragraph (i) or (ii) of this definition;
- (vi) Investment agreements with any corporation, including banking or financial institutions, the long-term corporate debt of which is rated, at the time of investment, “A1” or better by Moody’s and “A+” or better by S&P or Fitch;
- (vii) Guaranteed investment contracts or similar funding agreements issued by insurance companies, the long-term corporate debt of which, at the time of investment, is rated “A1” or better by Moody’s and “A+” or better by S&P or Fitch;
- (viii) Corporate commercial paper rated “MIG 1” or better by Moody’s and “A-1” or better by S&P and “F1” or better by Fitch at the time of investment;
- (ix) Shares or interests in taxable government money market portfolios (including any money market mutual funds of the Trustee) restricted to obligations with maturities of one year or less issued by, or the payment of principal and interest with respect to which is guaranteed by, the United States of America, and which are rated “Aa” or better by Moody’s and “AAm” or better by S&P or Fitch at the time of investment;
- (x) Interests in money mutual market portfolios, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee receive and retain a fee for services provided to the fund, which services include investment advisory, transfer agency, custodial, or other management

services, exempt from federal income taxation and having assets in excess of \$1,000,000,000;

- (xi) Investments in the Local Agency Investment Fund created pursuant to Section 16429.1 of the Government Code; and
- (xii) Any other investment that is legal for the investment of the District's funds or, to the extent that any moneys hereunder are held by the Trustee or a fiscal agent and pledged to the payment or security of the Bonds, any other investments which the District deems to be prudent investments and in which the District directs the Trustee or fiscal agent to invest, provided that such investments are either: (i) rated "A"/"A" or better, by at least two of S&P, Fitch and Moody's at the time of such investment; or (ii) are issued by an entity the corporate debt of which is rated "A"/"A" or better, by at least two of S&P, Fitch and Moody's; or (iii) are issued by an insurance company with a claims paying rating of "Aa" or better by Moody's.

"Principal Account" means the account so defined and created in Section 4.02.

"Principal Payment Date" means, with respect to a Bond, the stated maturity date of such Bond and any date on which the principal of such Bond has been accelerated pursuant to Section 6.02.

"Prior Bonds" means the Bonds of Irvine Ranch Water District, Series 2010B (Federally Taxable - Build America Bonds) issued pursuant to the Prior Indenture.

"Prior Indenture" means the Indenture of Trust, dated as of December 1, 2010, by and between IRWD and the Prior Trustee.

"Prior Installment Contract" means the Agreement for Acquisition and Construction, dated as of November 1, 1990, by and among County Sanitation District No. 1 of Orange County, California, County Sanitation District No. 2 of Orange County, California, County Sanitation District No. 3 of Orange County, California, County Sanitation District No. 5 of Orange County, California, County Sanitation District No. 6 of Orange County, California, County Sanitation District No. 7 of Orange County, California, County Sanitation District No. 11 of Orange County, California, County Sanitation District No. 13 of Orange County, California, County Sanitation District No. 14 of Orange County, California, as amended and supplemented.

"Prior Reimbursement Agreements" means collectively: (i) the Reimbursement Agreement, dated as of May 7, 2015, by and between IRWD and U.S. Bank National Association (relating to IRWD's Bonds of Irvine Ranch Water District, Consolidated Series 1993); (ii) the Reimbursement Agreement, dated as of April 1, 2011, between IRWD and Sumitomo Mitsui Banking Corporation (relating to IRWD's Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2008A); (iii) the Amended and Restated Reimbursement Agreement, dated as of April 1, 2011, between IRWD and U.S. Bank National Association (relating to IRWD's Bonds of Irvine Ranch Water District, Consolidated Series 2009A); (iv) the Amended and Restated Reimbursement Agreements, dated as of April 1, 2011, between IRWD and Bank of America, N.A (relating to the IRWD's Bonds of Irvine Ranch Water District,

Consolidated Series 2009B); (v) the Reimbursement Agreement, dated as of February 1, 2024, between IRWD and Bank of America, N.A. (relating to IRWD's Bonds of Irvine Ranch Water District, Refunding Series 2011A-1); and (vi) the Reimbursement Agreement, dated as of February 1, 2024, between IRWD and Bank of America, N.A. (relating to IRWD's Bonds of Irvine Ranch Water District, Refunding Series 2011A-2).

"Prior Trustee" means U.S. Bank National Association, as trustee.

"Rating Agency" means Moody's and S&P, to the extent each such entity is then rating the Bonds, and any other nationally recognized rating agency then rating the Bonds at the request of IRWD.

"Rebate Fund" means the fund so defined and created in Section 5.04.

"Rebate Requirement" means the Rebate Requirement as defined in the Tax Certificate.

"Record Date" means, with respect to an Interest Payment Date, the Trustee's close of business on the 15th day of the calendar month preceding such Interest Payment Date, whether or not a Business Day.

"Redemption Account" means the account so defined and created in Section 4.04.

"Redemption Date" means, with respect to Bonds to be redeemed prior to maturity, the date of such redemption set forth in the notice of such redemption in accordance with the terms hereof.

"Redemption Price" means, with respect to any Bond to be redeemed pursuant to the Indenture, the amount payable to the Owner of such Bond upon such redemption, including the principal thereof, any unpaid accrued interest thereon to the Redemption Date and any redemption premium or other amount due upon such redemption.

"Refunding Law" means Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code, as amended from time to time.

"Refunding Test Period" means, with respect to the issuance of additional Parity Obligations pursuant to Section 5.17(b) for refunding purposes, each Fiscal Year from and including the Fiscal Year in which such additional Parity Obligations are to be issued to and including the latest Fiscal Year in which Debt Service is payable on the Parity Obligations Outstanding immediately prior to the issuance of such additional Parity Obligations.

"Representation Letter" means the letter from IRWD and the Trustee to, or other instrument or agreement among IRWD and the Trustee with, the then current Bond Depository for the Bonds in which IRWD and the Trustee, among other things, make certain representations to, and agreements with, such Bond Depository with respect to the Bonds, and payment thereof, and delivery of notices with respect thereto.

“Resolution” means Resolution No. 2024-__ of the Board of Directors of IRWD, adopted on _____, 2024.

“Revenue Enhancement Agreement” means an agreement between IRWD and the trustee for an issue of General Obligation Bonds, pursuant to which IRWD agrees to pay principal, interest, and/or purchase price of such General Obligation Bonds from Net Revenues on the terms and conditions set forth in such agreement.

“Revenues” mean all Utility Rates and Charges and other revenues of the District, including, without limiting the generality of the foregoing, the proceeds of any stand-by or natural treatment, connection and water availability charges; together with the District’s share of the Orange County, California one percent *ad valorem* property tax (to the extent not applied by the District to pay principal of and interest on Secured Bonds) and Investment Income; but excluding in all cases: (i) customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District; (ii) any proceeds of taxes or *ad valorem* assessments restricted by law to be used by the District to pay bonds issued by the District, and the proceeds of any actions to enforce delinquent *ad valorem* assessments; and (iii) In Lieu Charges.

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

“Secured Bonds” mean bonds of IRWD secured by a pledge of IRWD’s share of the Orange County 1% general *ad valorem* property tax pursuant to Resolution No. 1992-48, adopted by the Board on November 23, 1992, or Resolution 2002-10, adopted by the Board on November 8, 2002.

“Securities Depositories” means such securities depositories for securities as IRWD may designate in a certificate of an IRWD Representative delivered to the Trustee.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such division shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by IRWD.

“State” means the State of California.

“Subordinate Obligations” mean all Obligations other than Parity Obligations, including but not limited to amounts due under the Prior Installment Contract and the Government Contracts.

“Tax Certificate” means that certificate signed by IRWD on the date of the initial issuance of the Bonds relating to the requirements of Sections 103 and 141-150 of the Code.

“Test Period” means, with respect to a calculation of Aggregate Debt Service in connection with the issuance of additional Parity Obligations pursuant to Section 5.17(b)(2), the period from and including the Applicable Fiscal Year for the issuance of such additional Parity Obligations to and including the first complete Fiscal Year after the latest date of operation of any project being financed or refinanced with the proceeds of such additional Parity Obligations.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States, or any other bank or trust company duly incorporated and existing under and by virtue of the laws of any state or of the United States of America, which may be substituted in its place as provided in Section 7.02.

“Trust Estate” means: (i) all of the monies in the Bond Payment Fund, and all accounts in such Fund, including the investments, if any, thereof, and all income and proceeds derived from such investments; and (ii) subject to application on the terms and conditions contained herein, the Revenues.

“Utility Rates and Charges” means all water, sewer and reclaimed water rates and charges imposed by the District in connection with providing water, sewer and reclaimed water services to retail customers through the Operating Systems, including commodity, service, standby, material treatment and connection charges, except: (i) In Lieu Charges; and (ii) customer deposits.

“Water Code” means the California Water Code, as amended and supplemented.

SECTION 1.02 Indenture to Constitute Contract. In consideration of the acceptance of the Bonds by the Owners, the Indenture shall be deemed to be and shall constitute a contract among IRWD, the Trustee and the Owners to secure the full and final payment of the principal and Redemption Price of , and interest on, the Bonds to the extent payable in accordance with the Indenture, the Refunding Law, or the Act, and the application of all monies on deposit or to be deposited in accordance herewith, including, but not limited to, foreclosure proceeds, and the conditions, covenants and terms contained herein required to be observed or performed by or on behalf of IRWD and the Trustee shall be for the equal benefit, protection and security of all Owners without distinction, preference or priority of any Bonds over any other Bonds by reason of the number or date thereof or the time of authentication or delivery thereof or otherwise for any cause whatsoever, except as expressly provided herein. Subject to Section 9.01, the Indenture shall remain in full force and effect so long as any Bonds remain Outstanding.

SECTION 1.03 Interpretation; Construction. 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. Words of any gender shall be deemed and construed to include all genders. Unless otherwise indicated, 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,” “hereunder” and other words of similar import refer to the Indenture as a whole and not to any particular articles, section, subdivision or clause thereof. References herein to persons shall include corporations, partnerships, associations, and

governmental entities as well as natural persons. The phrase “principal and Redemption Price” with reference to the Bonds shall refer to the amount due on the Bonds as principal then due or as Redemption Price then due but shall not be construed as requiring the payment on any one date with respect to any Bond of the principal plus the Redemption Price thereof.

ARTICLE II

CONDITIONS AND TERMS OF BONDS

SECTION 2.01 Authorization of Bonds. (a) The issuance of a series of refunding bonds of IRWD is hereby authorized in the aggregate principal amount of \$_____ to be designated as “Bonds of Irvine Ranch Water District, Refunding Series 2024A” constituting the consolidated several general obligations of Improvement District Nos. 112, 113, 125, 188, 212, and 225. The District reserves the right to issue obligations other than the Bonds payable from any source, including the same sources described in this Section; provided, however, no obligations other than the Bonds shall be issued under the Indenture. The Bonds are issued for the purpose of refinancing capital projects for the Improvement Districts as provided in the election within each Improvement District approving its Included Percentage of the Bonds, including the payment of costs of issuance of the Bonds. Each Bond shall mature on its Maturity Date.

(b) The Bonds, when originally issued, shall constitute the consolidated several general obligations of Improvement District Nos. 112, 113, 125, 188, 212, and 225, as provided in subsection (c) of this Section. The Bonds shall constitute obligations of IRWD payable from the Net Revenues, and secured by a pledge of the Revenues, on a parity with the Parity Obligations as well as the consolidated several general obligations of the Improvement Districts. IRWD reserves the right to issue obligations other than the Bonds payable from any source, including the same sources described in this Section; provided, however, no obligations other than the Bonds shall be issued under the Indenture.

The Bonds shall not constitute an obligation of the State of California or any political subdivision thereof other than IRWD and the Improvement Districts as provided in the Indenture. No fund or account of IRWD, including its General Fund, other than the funds included in the Trust Estate, is liable for the payment of the principal or Redemption Price of, or interest on, the Bonds. Except as provided in the Indenture with respect to the Trust Estate, neither the faith and credit nor the taxing power of IRWD is liable for or pledged to the payment of the principal or Redemption Price of, or interest on, the Bonds.

(c) The Bonds shall be the several consolidated obligations of the Improvement Districts, initially in the below listed proportions.

Improvement District No.	Included Amount of Total Par Value	Included Percentage of Total Par Value
112		
113		
125		
188		
212		
225		
Total	\$	100.00%

(d) The Included Amount for any Improvement District shall be adjusted pursuant to calculations made by IRWD and delivered to the Trustee, without the need for any amendment of or supplement to the Indenture, at any time when Bonds are redeemed pursuant to Article III.

(e) The Bonds shall be payable from the monies included in the Trust Estate which includes monies from the following sources in an amount proportionate to the principal amount of Bonds allocated to each Improvement District: (1) the Assessment Proceeds which are to be collected from within each Improvement District and applied by the District to pay such Improvement District's Included Amount of the principal, Purchase Price and Redemption Price of, and interest on, all Outstanding Bonds; (2) all monies and earnings thereon held in the Bond Payment Fund or accounts therein created under the terms hereof; and (3) subject to application as provided in the Indenture, the Net Revenues.

The Assessment Proceeds applied to any Improvement District's Included Amount of the principal and Redemption Price of the Bonds, and the interest thereon shall be limited to Assessment Proceeds collected in such Improvement District. The Bonds are issued by IRWD on behalf of the Improvement Districts, which are severally but not jointly obligated for the payment of the principal and Redemption Price of, and interest on, their respective Included Amounts of the Bonds.

(f) Any provision of the Indenture to the contrary notwithstanding, IRWD may, to the extent permitted by law, but shall not be obligated to, apply funds of IRWD not pledged to the payment of the Bonds pursuant to the Indenture to the payment of principal and Redemption Price of, and interest on, the Bonds.

(g) The Trustee is hereby authorized to authenticate and to deliver the Bonds upon (i) written direction of IRWD, and (ii) receipt of the proceeds of the sale of the Bonds by the Trustee as provided in Section 4.01.

SECTION 2.02 Denominations, Medium, Method and Place of Payment, Dating of Bonds; Book-Entry Bonds. (a) The Bonds shall be issued in the form of fully registered Bonds in Authorized Denominations. The principal and Redemption Price of, and interest on, the Bonds shall be payable in lawful money of the United States of America. Except as otherwise provided in the Representation Letter, the interest on the Bonds shall be payable on the Interest Payment Dates by check mailed on the applicable Interest Payment Date by the Trustee to the respective Owners thereof at their addresses as they appear on the applicable Record Date in the Bond Register, except that in the case of an Owner of \$1,000,000 or more in aggregate principal

amount of Bonds, upon the written request of such Owner to the Trustee, received at least 10 days prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds on the following Interest Payment Date. Any such request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Trustee. Except as otherwise provided in the Representation Letter, the principal and Redemption Price of each Bond shall be payable only upon surrender thereof at the principal corporate trust office of the Trustee.

The Trustee and IRWD may treat the Owner of a Bond as the sole, exclusive and absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and the Trustee and IRWD shall not be affected by any knowledge or notice to the contrary; and payment of the principal and Redemption Price of, and interest on, such Bond shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge the liability on such Bond to the extent of the sum or sums so paid. All Bonds paid pursuant to the provisions of this Section shall be cancelled by the Trustee and shall not be redelivered.

Each Bond shall be dated the date of authentication thereof and shall bear interest from the immediately preceding Interest Payment Date, unless such date of authentication is after a Record Date and on or before the next succeeding Interest Payment Date, in which event any such Bond shall bear interest from and including such Interest Payment Date, or unless such date of authentication is prior to the initial Record Date for the Bonds, in which event any such Bond shall bear interest from the date of original authentication and delivery of the Bonds, until the entire principal amount of such Bond is paid. If, at the time of authentication of any Bond, interest is in default or overdue on the Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid in full or made available for payment in full on Outstanding Bonds.

(b) (1) The Bonds shall be initially executed and delivered in the form of a separate, single, authenticated, fully registered bond (which may be typewritten). Upon initial execution, authentication and delivery, the ownership of the Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the initial Bond Depository for the Bonds. The Trustee and IRWD may treat the Bond Depository (or its nominee) as the sole, exclusive and absolute Owner of the Bonds registered in its name for all purposes, whether or not such Bond shall be overdue (including, without limitation, receiving payment of the principal and Redemption Price of, and interest on, the Bonds, selecting Bonds or portions thereof to be redeemed, giving any notice required or permitted to be given to Owners hereunder, registering the transfer of Bonds, obtaining any consent from the Owners, and providing for any other action to be taken by the Owners hereunder), and neither the Trustee or IRWD shall be affected by any knowledge or notice to the contrary. So long as the Bonds are registered in the name of a Bond Depository, including DTC, or its nominee, including Cede & Co., payment of the principal and Redemption Price of, and interest on, such Bonds shall be made only to the Bond Depository or its nominee as such Owner, which payments shall be valid and effectual to satisfy and discharge the liability on such Bond to the extent of the sum or sums so paid. Neither of the Trustee nor IRWD shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in a Bond under or through a Bond Depository or any Participant, or any other person which is not shown in the Bond Register as being an Owner, with respect to: the accuracy of any records maintained by a Bond Depository or any Participant; the payment by

a Bond Depository or any Participant of any amount in respect of the principal or Redemption Price of, or interest on, the Bonds; any notice which is permitted or required to be given to Owners hereunder; the selection by a Bond Depository or any Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by a Bond Depository (or its nominee) as the Owner of the Bonds. Except under the conditions specified in paragraph (2) of this subsection (b), no person other than a Bond Depository shall receive authenticated Bonds. Upon delivery by a Bond Depository to the Trustee of written notice to such effect, a Bond Depository may substitute a new nominee in place of the then designated nominee, and with respect to DTC may substitute a new nominee for “Cede & Co.” or any successor nominee and subject to the provisions herein with respect to Record Dates, the term “Cede & Co.” in the Indenture shall refer to such new nominee of DTC.

(2) In the event (i) DTC, or any successor as Bond Depository for the Bonds, determines not to continue to act as Bond Depository for the Bonds, or (ii) IRWD determines that the incumbent Bond Depository for the Bonds shall no longer so act, and delivers a written certificate of an IRWD Representative to such incumbent Bond Depository and the Trustee to that effect, then IRWD shall discontinue the book-entry system with the incumbent Bond Depository for the Bonds. If IRWD determines to replace the incumbent Bond Depository for the Bonds with another Bond Depository, IRWD shall prepare or direct the preparation of replacement Bonds for the Bonds registered in the name of the incumbent Bond Depository, or its nominee, to be registered in the name of such successor Bond Depository, or its nominee, or make such other arrangements acceptable to IRWD, the Trustee, and the successor Bond Depository for the Bonds as are not inconsistent with the terms of the Indenture. If IRWD fails to identify a successor Bond Depository for the Bonds to replace the incumbent Bond Depository, then the Bonds shall no longer be restricted to being registered in the Bond Register in the name of the incumbent Bond Depository or its nominee, but shall be registered in whatever name or names the incumbent Bond Depository for the Bonds, or its nominee, shall designate in accordance with the provisions of subsection (b) of Section 2.02. In such event IRWD shall, at its expense, prepare, execute and deliver Bonds to the Trustee for authentication and delivery to carry out the transfers and exchanges provided in this Section and Section 2.07. All such Bonds shall be in fully registered form in Authorized Denominations.

(3) Notwithstanding any other provision of the Indenture to the contrary, so long as any Bond is registered in the name of DTC, or its nominee, all payments with respect to principal and Redemption Price of, and interest on, such Bond, all notices with respect to such Bond, shall be made and given, respectively, as provided in the Representation Letter.

(4) In connection with any notice or other communication to be provided to Owners pursuant to the Indenture by IRWD or the Trustee with respect to any consent or other action to be taken by Owners, IRWD or the Trustee, as the case may be, shall establish a record date for such consent or other action and give the incumbent Bond Depository, if any, notice of such record date not less than 15 calendar days in advance of such record date to the extent deemed practicable by IRWD.

SECTION 2.03 Payment of Principal and Interest of Bonds. If the date for making any payment of principal or Redemption Price of, or interest on, the Bonds is not a Business Day, the payment may be made on the next Business Day with the same effect as if made on the nominal date and no interest will accrue between the nominal date and the actual payment date.

SECTION 2.04 Calculation and Payment of Interest. Interest on each Bond shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Payment will be made on each Interest Payment Date for unpaid interest accrued to but not including such Interest Payment Date.

SECTION 2.05 Terms of Bonds. The Bonds shall have the following Maturity Dates, principal amounts, and interest rates:

Maturity Date	Principal Amount	Interest Rate
(_____ 1)		

SECTION 2.06 Form of Bonds. The Bonds and the assignment to appear thereon shall each be in substantially the forms respectively set forth in Exhibit B attached hereto and incorporated herein, with appropriate or necessary insertions, omissions and variations as permitted or required hereby. In the event the Bonds are no longer registered in the name of a Bond Depository, IRWD may make such modifications to the form of the Bond contained in Exhibit B to further detail the terms of the Bonds and the Indenture as shall be approved by an IRWD Representative.

SECTION 2.07 Execution and Authentication of Bonds. The Bonds shall be signed by manual or facsimile signature by the President of the Board of Directors of IRWD, and the Secretary of IRWD shall affix the seal of IRWD or a facsimile thereof to the Bonds and attest said seal by her manual or facsimile signature. The Bonds shall be authenticated by the Trustee by the manual signature of an authorized signatory of the Trustee.

If any of the officers of IRWD who shall have signed or sealed any of the Bonds or whose facsimile signature shall be upon the Bonds shall cease to be such officer of IRWD before the Bond so signed and sealed shall have been actually authenticated by the Trustee or delivered, such Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds or whose manual or facsimile signature shall be upon the Bonds had not ceased to be such officer of IRWD; and any such Bond may be signed and sealed on behalf of IRWD by those persons who, at the actual date of the execution of such Bonds, shall be the proper officers of IRWD, although at the date of such Bond any such person shall not have been such officer of IRWD.

SECTION 2.08 Transfer and Exchange of Bonds. All Bonds are transferable or exchangeable by the Owner thereof, in person or by the Owner's attorney duly authorized in writing, at the designated corporate trust agency or operations office of the Trustee in the Bond Register, upon surrender of such Bonds accompanied by delivery of a duly executed written instrument of transfer or exchange in a form approved by the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer or exchange, the Trustee shall authenticate and deliver a new Bond or Bonds of Authorized Denominations of the same series, aggregate principal amount and terms, except that the Trustee may require the payment by any Owner requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange. All Bonds surrendered pursuant to the provisions of this Section shall be cancelled by the Trustee, shall not be redelivered and shall be disposed of as directed by IRWD.

The Trustee shall not be required to transfer or exchange (i) any Bonds during the period commencing on the date 10 days prior to the date of selection of Bonds for redemption and ending on such date of selection, or (ii) any Bond selected for redemption in whole or in part.

Prior to any transfer of the Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

SECTION 2.09 Bond Register. The Trustee will keep at its principal corporate trust office the Bond Register for the registration of the ownership, transfer or exchange of the Bonds, which Bond Register shall be available for inspection by IRWD upon reasonable notice, at reasonable hours and under reasonable conditions; and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register the ownership, transfer or exchange of the Bonds in the Bond Register as hereinabove provided. The ownership of any Bonds may be proved by the Bond Register required to be kept by the Trustee pursuant to the provisions of this Section.

SECTION 2.10 Temporary Bonds. The Bonds may be initially delivered in temporary form exchangeable for definitive Bonds when ready for delivery, which temporary Bonds shall be printed, lithographed or typewritten, shall be of such denominations as may be determined by

the Trustee, shall be in fully registered form and shall contain such reference to any of the provisions hereof as may be appropriate. Every temporary Bond shall be authenticated and delivered by the Trustee upon the same conditions and terms and in substantially the same manner as definitive Bonds. If the Trustee authenticates and delivers temporary Bonds, IRWD will prepare and execute and the Trustee will authenticate definitive Bonds without delay, and in that case upon demand of the Owner of any temporary Bonds such definitive Bonds shall be exchanged without cost to such Owner for temporary Bonds at the office of the Trustee upon surrender of such temporary Bonds, and until so exchanged such temporary Bonds shall be entitled to the same benefit, protection and security hereunder as the definitive Bonds executed and delivered hereunder. All temporary Bonds surrendered pursuant to the provisions of this Section shall be cancelled by the Trustee, shall not be redelivered and shall be disposed of as directed by IRWD.

SECTION 2.11 Bonds Mutilated, Destroyed, Lost or Stolen. If any Bond shall become mutilated, the Trustee shall authenticate and deliver a new Bond of like series, tenor and number in lieu of the mutilated Bond, but only upon surrender to the Trustee of the mutilated Bond, and every mutilated Bond surrendered to the Trustee shall be cancelled by it and shall not be redelivered and shall be disposed of as directed by IRWD. If any Bond shall be destroyed, lost or stolen, evidence of such destruction, loss or theft may be submitted to the Trustee and if such evidence is satisfactory to the Trustee, and the Trustee and IRWD receive indemnity satisfactory to them, the Trustee shall authenticate and deliver a new Bond of like series and tenor in substitution for the destroyed, lost or stolen Bond. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond authenticated and delivered by it under this Section and of the related expenses which may be incurred by it under this Section. Any replacement Bond authenticated and delivered under the provisions of this Section in lieu of or in substitution for any mutilated, destroyed, lost or stolen Bond shall be equally and proportionately entitled to the benefit, protection and security hereof with all other Bonds executed and delivered hereunder; and neither IRWD nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be authenticated and delivered hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and the replacement Bond shall be treated as one and the same. Notwithstanding any other provision of this Section, rather than authenticating and delivering a new Bond for a mutilated, destroyed, lost or stolen Bond which has matured or has been called for redemption, the Trustee may make payment of the principal or Redemption Price of and unpaid accrued interest on of such mutilated, destroyed, lost or stolen Bond directly to the Owner thereof under such regulations as the Trustee may prescribe. To the extent permitted by law, IRWD agrees to indemnify and hold harmless the Trustee from and against any claims, damages and losses (including legal fees and expenses), arising out of payment of principal or Redemption Price of, or interest on, any destroyed, lost or stolen Bond.

ARTICLE III

REDEMPTION OF BONDS

SECTION 3.01 Redemption of Bonds. (a) The Bonds are subject to redemption at the option of the District in whole or, in part in Authorized Denominations, on _____ 1, 20__

and any Business Day thereafter at a Redemption Price of 100% of the principal amount of the Bonds being redeemed, together with unpaid accrued interest, if any, to the Redemption Date, without premium.

(b) The Bonds are subject to mandatory sinking fund redemption on ____ 1, 20__ and on each ____ 1 thereafter, upon notice as hereinafter provided, in part, upon the conditions and terms prescribed herein, at a Redemption Price equal to the principal amount of the Bonds to be redeemed, without premium, in the years and principal amounts as follows:

Mandatory Redemption Dates (____ 1)	Mandatory Sinking Fund Payments
--	------------------------------------

***Final Maturity**

(c) Upon any purchase of Bonds by IRWD or the redemption of such Bonds pursuant to subsection (a) or subsection (b) of this Section, an amount equal to the aggregate principal amount of such Bonds so purchased or redeemed, and not previously applied as a credit pursuant to this subsection, shall be credited toward a part or all of any one or more yearly mandatory sinking fund redemptions required by subsection (c) of this Section, as directed in writing by IRWD provided that such direction is received by the Trustee at least 75 days before the date of such mandatory redemption. Any such direction shall state the years in which and the amounts by which such mandatory redemptions are to be reduced. The portion of any such mandatory redemption remaining after the deduction of any such amounts credited toward the same (or the original amount of any such mandatory redemption if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such mandatory redemption for the purpose of the calculation of principal payments due on any future May 1 with respect to the mandatory sinking fund redemption of the Bonds pursuant to subsection (c) of this Section.

SECTION 3.02 Adjustment of Included Amounts on Redemption of Bonds. (a) Except as provided in subsection (b) of this Section, the principal amount of Bonds redeemed pursuant to Section 3.01 shall be credited proportionally to all Improvement Districts and the Included

Amount for each Improvement District shall be reduced by such Improvement District's Included Percentage (calculated immediately before such redemption) of the redeemed Bonds.

(b) Whenever either: (i) Outstanding Bonds are to be redeemed pursuant to the provisions of subsection (a) or (b) of Section 3.01 with respect to less than all Improvement Districts; or (ii) sufficient monies are available from or for the account of any Improvement District in addition to the amount required to redeem such Improvement District's Included Percentage of the Bonds to be redeemed pursuant to the provisions of subsection (a) or (b) of Section 3.01 with respect to all Improvement Districts, IRWD may elect to redeem, pursuant to the provisions of subsection (a) or (b) of Section 3.01 all or any portion of any such Improvement District's Included Amount in addition to its Included Percentage of the Bonds, if any, to be so redeemed with respect to all Improvement Districts (the "Additional Redemption Amount"), in which case the Additional Redemption Amount shall be credited only to such Improvement District and the Included Amount and Included Percentage of such Improvement District shall be reduced by such Additional Redemption Amount in addition to the reduction of such Improvement District's Included Amount and Included Percentage pursuant to subsection (a) of this Section with respect to all Improvement Districts.

(c) Immediately following each redemption of Bonds and the allocation of redeemed Bonds to Improvement Districts pursuant to subsections (a) and (b) of this Section, the Included Percentages for all Improvement Districts shall be recomputed for all purposes relative to the Outstanding Bonds after such redemption in the following manner:

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

(d) In the event that following any redemption of Bonds pursuant to Section 3.01, the Included Amount for an Improvement District has been redeemed in its entirety, the amounts attributable to such Improvement District in the Funds and accounts established under the Indenture shall be withdrawn as directed in writing by IRWD and applied by IRWD as permitted by law; provided, however, that the Trustee shall have no responsibility for determining whether such application made by IRWD is permitted by law. IRWD shall deliver a certificate to the Trustee specifying: (i) the Improvement District for whom all or any portion of the Included Amount is to be redeemed; (ii) the portion of the Included Amount to be redeemed for such Improvement District; (iii) the adjusted Included Amounts and Included Percentages of all Improvement Districts; and (iv) in the event of a complete redemption of the Included Amount of an Improvement District, the amounts attributable to such Improvement District in the Funds and accounts established under the Indenture which are to be withdrawn and paid to IRWD.

SECTION 3.03 Selection of Bonds for Redemption. If less than the full Outstanding principal amount of the Bonds is to be redeemed on any one Redemption Date, and the Bonds are owned by more than one Owner, the Trustee shall select the Bonds to be redeemed from the Outstanding Bonds pro rata based on the principal amount of Bonds owned by each Owner.

SECTION 3.04 Notice of Redemption. (a) Notice of redemption of Bonds shall be given by mail by the Trustee to the Owners of any Bonds designated for redemption in whole or in part and to the Securities Depositories no less than 30 days nor more than 60 days prior to the Redemption Date. Each notice of redemption shall state the Redemption Date, the redemption place and the Redemption Price (or the method of determining the Redemption Price in the case of a redemption pursuant to subsection (a) or (b) of Section 3.01), shall (in the case of any Bond called for redemption in part only) state the portion of the principal amount thereof which is to be redeemed, and shall state that, if money for the payment of the Redemption Price of the Bonds or portions thereof to be redeemed, including any unpaid accrued interest due upon such redemption, is then held by the Trustee, the interest on the Bonds to be redeemed or portions thereof designated for redemption shall cease to accrue from and after such Redemption Date and that on such Redemption Date there will become due and payable on each of the Bonds or portions thereof designated for redemption the Redemption Price thereof. The failure of any Owner to receive such notice will not affect the validity of the redemption of any Bonds.

(b) With respect to any notice of any redemption of Bonds at the option of IRWD, unless at the time such notice is given the Bonds the Trustee shall hold sufficient available funds to pay the Redemption Price of the Bonds to be redeemed, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of monies that shall be sufficient to pay the Redemption Price of the Bonds to be redeemed and that if such monies shall not have been so received said notice shall be of no force and effect and IRWD shall not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such monies are not so received, the redemption of Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the persons who received such notice of redemption and in the manner in which the notice of redemption was given, that such monies were not so received and that there shall be no redemption of Bonds pursuant to such notice of redemption.

The Trustee shall give notice of redemption of any Bonds to be redeemed, as provided herein, upon receipt of notice from IRWD with respect to any optional redemption of Bonds, which notice shall be given to the Trustee at least five calendar days prior to the date the notice of redemption described in the first paragraph of this Section must be given to the Owners (unless the Trustee shall agree to a shorter period).

Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not actually received by any Owner.

SECTION 3.05 Partial Redemption of Bonds. Upon surrender of any Bond to be redeemed in part only, the Trustee shall authenticate and deliver to the Owner thereof a new Bond or Bonds in an aggregate principal equal to the unredeemed principal amount of the Bond so surrendered.

SECTION 3.06 Effect of Redemption. If notice of redemption has been duly given as aforesaid and money for the payment of the Redemption Price of the Bonds or portions thereof to be redeemed is then held by the Trustee, then on the Redemption Date designated in such notice the Bonds or portions thereof so called for redemption shall become payable at the Redemption

Price specified, or determined as described, in such notice; and from and after the Redemption Date so designated, interest thereon or portions thereof so called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefit, protection or security hereunder and the Owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the Redemption Price.

SECTION 3.07 Application of Monies for Redemption. Monies identified by IRWD to the Trustee in writing as having been collected from or attributable to any Improvement District for the redemption of all or any portion of such Improvement District's Included Amount shall be used exclusively to pay all or any portion of such Improvement District's Included Amount of Bonds as provided in the Indenture.

ARTICLE IV

FUNDS AND ACCOUNTS

SECTION 4.01 Deposit of Monies. The Trustee shall establish and hold the Bond Proceeds Fund. On the Closing Date, the proceeds received from the sale of the Bonds in the amount of \$_____ (representing the principal amount of the Bonds of \$_____, less an underwriter's discount of \$_____), which the Trustee shall deposit in the Bond Proceeds Fund, shall be applied as follows:

- (i) \$_____ shall be transferred to the Prior Trustee to redeem the Prior Bonds; and
- (ii) \$_____ shall be transferred to IRWD for deposit in the Costs of Issuance Fund.

SECTION 4.02 Pledge of Trust Estate. Subject to the application of the Revenues on the terms and conditions provided in Section 6.02, the District hereby pledges and grants a lien on the Revenues to the payment when due of the principal, Purchase Price and Redemption Price of, and interest on, the Outstanding Bonds, which pledge and lien shall be on a parity with any pledge of Revenues securing other Parity Obligations. This pledge and lien shall constitute a pledge of and charge and lien upon the Revenues for the payment of the principal, Purchase Price and Redemption Price of, and interest on, the Outstanding Bonds and all other Parity Obligations in accordance with the terms hereof and thereof after payment from the Revenues of the Operation and Maintenance Expenses, and the funding of contingency reserves therefor, as provided in the Indenture.

SECTION 4.03 Allocation of Revenues. In order to carry out and effectuate the pledge and lien on the Revenues contained in Section 4.02, the District agrees and covenants that all Revenues received by it shall be deposited when and as received in the Revenue Fund, which fund has heretofore been established by the District and which fund the District agrees and covenants to maintain as a special fund, separate and apart from other moneys of the District so long as any Bond remains Outstanding. All Revenues shall be applied in the following order of priority:

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

(b) Second, to the funding of contingency reserves for Operation and Maintenance Expenses.

(c) Third: (i) two (2) Business Days before each Interest Payment Date, to a deposit to the Bond Payment Fund in an amount equal to the transfer to the Interest Account and the Principal Account to be made on such Interest Payment Date; and (ii) on each date, other than an Interest Payment Date, on which the principal of an Outstanding Bond becomes due, whether by mandatory redemption, acceleration, or otherwise, to a deposit to the Bond Payment Fund in an amount equal to the principal and Redemption Price of, and interest on, the Outstanding Bonds coming due on such date. Notwithstanding the provisions of the immediately preceding sentence, no such deposit to the Bond Payment Fund need be made by the District to the extent the Trustee then holds, or is concurrently receiving from the District from Assessment Proceeds or other sources that do not constitute Revenues, moneys for such purpose in the Bond Payment Fund, or being deposited in the Bond Payment Fund, available to pay the principal and Redemption Price of, and interest on, the Outstanding Bonds to be paid with such deposit. The District shall also pay to the party entitled thereto or transfer or cause to be transferred to any applicable debt service or other payment fund or account for any Parity Obligations (other than the principal and Redemption Price of, and interest on, the Outstanding Bonds), without preference or priority between transfers made pursuant to this sentence and the first sentence of this subsection (c), and in the event of any insufficiency of such moneys ratably without any discrimination or preference, on the dates specified in the proceedings relating to such Parity Obligations, the sum or sums required to be paid or deposited in such debt service or other payment fund or account with respect to principal, premium, if any, and interest on Parity Obligations (other than the principal and Redemption Price of, and interest on, the Outstanding Bonds) in accordance with the terms of such Parity Obligations.

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

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

SECTION 4.04 Bond Payment Fund. There is hereby established and created a fund with the Trustee to be designated the “Bonds of Irvine Ranch Water District, Refunding Series 2024A Bond Payment Fund” (the “Bond Payment Fund”). The Trustee shall transfer money

contained in the Bond Payment Fund to the accounts described below at the following respective times in the manner hereinafter provided, which accounts the Trustee hereby agrees to establish and maintain so long as the Indenture is not discharged in accordance with Article IX and each such account shall constitute a trust fund for the benefit of the Owners of the Bonds, and the money in each such account shall be disbursed only for the purposes and uses hereinafter authorized.

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

(b) Principal Account. The Trustee, on each Principal Payment Date, shall deposit in the Principal Account from money in the Bond Payment Fund such amount as shall be sufficient to pay the principal of the Outstanding Bonds due on such Principal Payment Date. Money in the Principal Account shall be used and withdrawn by the Trustee on each Principal Payment Date solely for the payment of the principal of Outstanding Bonds then due.

(c) Redemption Account. The Trustee shall deposit in the Redemption Account amounts received from IRWD to pay the Redemption Price of Bonds to be redeemed. Money in the Redemption Account shall be used and withdrawn by the Trustee on each Redemption Date solely for the payment of the Redemption Price of Outstanding Bonds upon the redemption thereof.

SECTION 4.05 Costs of Issuance Fund. There is hereby established and created a fund in the treasury of IRWD to be designated “Bonds of Irvine Ranch Water District, Refunding Series 2024A, Costs of Issuance Fund” (the “Costs of Issuance Fund”). The Bond proceeds deposited in the Costs of Issuance Fund shall be apportioned by IRWD among the respective Improvement Districts according to each Improvement District’s Included Percentage. All monies on deposit in the Costs of Issuance Fund shall be applied by IRWD for the payment of the costs of issuing the Bonds, including printing costs, rating agency fees, the fees and expenses of co-bond counsel, the Trustee, CUSIP Service Bureau charges and other costs and expenses of IRWD relating to the issuance and sale of the Bonds. Any amounts remaining in the Costs of Issuance Fund on [January 1, 2025] shall be transferred to the Trustee for deposit in the Interest Account or the Principal Account as directed by IRWD and used to pay the interest or the principal becoming due on the following Interest Payment Date or Principal Payment Date, as applicable.

SECTION 4.06 Investments. So long as the Bonds are Outstanding and no Event of Default has occurred and is continuing, monies on deposit to the credit of the Funds held by the Trustee shall, at the request of an IRWD Representative, be invested by the Trustee in Permitted Investments. In the absence of written instruction from an IRWD Representative, the Trustee shall hold funds hereunder uninvested. The Trustee is entitled to rely conclusively on said instructions for purposes of this Section and shall have no duty to monitor the compliance thereof with the restrictions set forth herein. Subject to the limitations contained in Government

Code Section 53601, monies in the Funds held by IRWD shall be invested by IRWD in Permitted Investments. All such investments shall have maturity dates, or shall be subject to redemption, at the option of the holder, on or prior to the dates the monies invested therein will be needed for the purposes of such Funds. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including investment maintenance fees. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories. The Trustee may rely on the investment directions of IRWD as to both the suitability and legality of the directed investments.

The Trustee may commingle any of the money held by it hereunder. The Trustee may present for redemption or sell any such deposit or investment whenever it shall be necessary in order to provide money to meet any payment of the money so deposited or invested. The Trustee shall not be liable or responsible for any depreciation or any losses resulting from any such deposit or investment presented for redemption or sold. The Trustee is not liable to IRWD or any other person in the event that any investment made in accordance with the written instructions of IRWD shall cause the Bonds to become arbitrage bonds within the meaning of Section 148 of the Code or shall cause any person to incur any liability for rebate or other monies payable pursuant to the Code.

Any interest or profits on deposits and investments in the Bond Payment Fund received by the Trustee shall be deposited in the Interest Account as a credit against interest to come due on the Outstanding Bonds. Any interest or profits on deposits and investments in the Costs of Issuance Fund shall be retained therein.

IRWD acknowledges to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant IRWD the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, IRWD hereby waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish IRWD periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

ARTICLE V

COVENANTS

SECTION 5.01 Payment of Bonds. IRWD will promptly pay the principal and Redemption Price of, and interest on, the Bonds on the dates and in the manner provided in the Bonds, but only from the sources available therefor under the Indenture. From such available sources, IRWD will provide the Trustee sufficient monies to enable the Trustee to make all payments of principal and Redemption Price of, and interest on, the Bonds as provided in the Indenture and the Bonds.

SECTION 5.02 Collection of Assessments and Charges; General Obligation Bond Fund. To the extent necessary to provide Assessment Proceeds sufficient to pay when due, together with the other funds available for such payment, the principal of and interest on the Included Amount for each respective Improvement District, IRWD covenants and agrees to (a)

fix and collect, or cause the fixing and collection of, *ad valorem* assessments on taxable land within the applicable Improvement District, (b) pursue any remedy available to collect, or cause the collection of, delinquent *ad valorem* assessments and apply amounts realized from the sale of any property for the enforcement of delinquent *ad valorem* assessments to the payment of principal of and interest on the Included Amount of Bonds of the applicable Improvement District, or (c) in its discretion, impose and collect, or cause the imposition and collection of In Lieu Charges for water or sewer service, as applicable, in the applicable Improvement District in lieu of *ad valorem* assessments.

There is hereby established and created a fund in the treasury of IRWD to be designated “Bonds of Irvine Ranch Water District, Refunding Series 2024A, General Obligation Bond Fund” (the “General Obligation Bond Fund”), together with an account within such Fund for each Improvement District, which IRWD agrees to maintain as long as the Indenture is not discharged in accordance with Article IX. Additionally, IRWD may deposit other available monies in such Fund and such monies shall be apportioned to each Improvement District within the Fund according to each Improvement District’s Included Percentage. The assessments and charges levied upon and collected within any Improvement District shall not exceed the amount required to pay such Improvement District’s Included Amount of the principal and Redemption Price of the Bonds, and the interest thereon. Monies raised by each Improvement District for this purpose shall be deposited to the Improvement District’s account within the General Obligation Bond Fund and shall be used solely for the purpose of paying such Improvement District’s Included Amount of the principal and Redemption Price of the Bonds, and the interest thereon, including reimbursing the District for any such payments made from Net Revenues. Except as provided below, IRWD shall transfer from the General Obligation Bond Fund to the Trustee for deposit in the Bond Payment Fund monies at such times and in such amounts as are sufficient for the Trustee to make the transfers from the Bond Payment Fund as provided herein.

SECTION 5.03 Further Assurances. IRWD 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 of the Indenture and for the better assuring and confirming unto the Trustee of the rights and benefits provided to it in the Indenture.

SECTION 5.04 Tax Covenants; Rebate Fund. (a) In addition to the other Funds and accounts created pursuant hereto, IRWD shall establish and maintain a Fund separate from any other Fund or account established and maintained hereunder designated the “Bonds of Irvine Ranch Water District, Refunding Series 2024A, Rebate Fund” (the “Rebate Fund”). There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate with respect to the Bonds. All money at any time deposited in the Rebate Fund shall be held by IRWD in trust, to the extent required to satisfy the Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Bonds pursuant to Article X or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall not be deemed to have knowledge of, and shall have no responsibility for complying with, the provisions of the Tax Certificate. The Trustee shall only be responsible for complying with the written instructions of IRWD provided to it under Section 5.04(d) hereof.

(b) Any funds remaining in the Rebate Fund after payment in full of all of the Bonds and after payment of any amounts described in paragraph (2) of this subsection (b), shall be withdrawn and retained by IRWD.

IRWD shall pay to the United States of America out of amounts in the Rebate Fund,

(1) not later than 30 days after the end of the fifth Bond Year (as defined in the Tax Certificate) and not less frequently than once each five years thereafter, an amount equal to at least 90% of the Rebate Requirement; and

(2) not later than 60 days after the retirement of all of the Bonds, an amount equal to 100% of the Rebate Requirement (determined as of the date of the retirement of all Bonds).

In the event that, prior to the time of any required payment out of the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, IRWD shall deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due. Each such payment required to be made pursuant to this subsection shall be made to the United States of America on or before the date such payment is due, as set forth in the Tax Certificate.

In the event that on the first day of any Bond Year the amount credited to the Rebate Fund exceeds the Rebate Requirement, IRWD shall withdraw the excess from the Rebate Fund and transfer such excess to the Trustee for credit to the Interest Account of the Bond Payment Fund.

For purposes of crediting amounts to the Rebate Fund or withdrawing amounts from the Rebate Fund, Nonpurpose Investments (as defined in the Tax Certificate) shall be valued in the manner provided in the Tax Certificate.

(c) On or before the first day of each Bond Year, an amount shall be deposited to the Rebate Fund by IRWD, if and to the extent required, so that the balance of the Rebate Fund shall equal the Rebate Requirement for the Bond Year commencing on such first day.

(d) IRWD shall not use or permit the use of any proceeds of Bonds or any funds of IRWD, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause any Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code or “federally guaranteed” within the meaning of Section 149(b) of the Code and any such applicable requirements promulgated from time to time thereunder and under Section 103(c) of the Internal Revenue Code of 1954, as amended. IRWD shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. IRWD shall comply with all requirements of Sections 148 and 149(d) of the Code to the extent applicable to the Bonds. In the event that at any time IRWD is of the opinion that for purposes of this subsection (d) it is necessary to restrict or to limit the yield on the investment of any monies held by the Trustee or held by IRWD under the Indenture, IRWD shall so restrict or limit the yield on such investment or shall so instruct the Trustee in a detailed certificate, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(e) IRWD specifically covenants to comply with the provisions and procedures of the Tax Certificate.

(f) IRWD shall not use or permit the use of any proceeds of the Bonds or any funds of IRWD, directly or indirectly, in any manner, and shall not take or omit to take any action that would cause any of the Bonds to be treated as an obligation not described in Section 103(a) of the Code.

(g) Notwithstanding any provisions of this Section, if IRWD shall provide to the Trustee an Opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, the Trustee and IRWD may conclusively rely on such opinion in complying with the requirements of this Section, and, notwithstanding Article VIII, the covenants hereunder shall be deemed to be modified to that extent.

SECTION 5.05 Segregation of Proceeds. IRWD specifically covenants to segregate the proceeds from the sale of the Bonds and any investment earnings thereon from other monies of IRWD, whether such proceeds are held in the treasury of IRWD or with the Trustee.

SECTION 5.06 Continuing Disclosure. IRWD hereby covenants and agrees to comply with the Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of IRWD to comply with the requirements of the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause IRWD to comply with its obligations in this Section with respect to the Continuing Disclosure Certificate.

SECTION 5.07 Against Encumbrances. The District will pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished, or alleged to have been furnished, to or for the District in, upon, about or relating to the Operating Systems and will keep the Operating Systems free of any and all liens. In the event any such lien attaches to or is filed against any portion of the Operating Systems, the District will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the District desires to contest any such lien it may do so if contesting such lien will not materially impair operation of the Operating Systems. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, the District will forthwith pay or cause to be paid and discharged such judgment.

SECTION 5.08 Sale or Other Disposition of Operating Systems. The District will not sell, transfer or otherwise dispose of any of the works, plant, properties, facilities or other part or rights of the Operating Systems or any real or personal property comprising a part of the Operating Systems if such sale, transfer or disposition would cause the District to be unable to satisfy its obligations under the Indenture.

SECTION 5.09 Maintenance of Operating Systems by the District. The District will maintain and preserve the Operating Systems in good repair and working order at all times and will operate the Operating Systems in an efficient and economical manner and will pay all maintenance and operation costs, as they become due and payable. The District agrees that, at its own cost and expense, it will maintain, preserve and keep its Operating Systems and every part and parcel thereof in good repair, working order and condition and that it will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. The Trustee shall have no responsibility in any of these matters.

SECTION 5.10 Budgets. The District will take such action as shall be necessary to include all principal and Redemption Price of, and interest on, the Outstanding Bonds coming due in each Fiscal Year, and which are not expected to be paid from Assessment Proceeds, in its budget for such Fiscal Year. The District will adopt and file with the Trustee, not later than June 30 of each year, a budget for the succeeding Fiscal Year, approved by the Board, setting forth the estimated Operation and Maintenance Expenses of the Operating Systems for such Fiscal Year and including all payments of principal and Redemption Price of, and interest on, the Outstanding Bonds to be made from Revenues in such Fiscal Year, and which are not expected to be paid from Assessment Proceeds; provided, that, subject to including all payments of principal and Redemption Price of, and interest on, the Outstanding Bonds required to be made from Revenues hereunder in such Fiscal Year and which are not expected to be paid from Assessment Proceeds, any such budget for a Fiscal Year may be amended at any time during such Fiscal Year and such amended budget shall be filed by the District with the Trustee. When filed with the Trustee, such budget and any amendments thereto shall include a letter from the District stating that all payments of principal and Redemption Price of, and interest on, the Outstanding Bonds required to be made from Revenues hereunder, and which are not expected to be paid from Assessment Proceeds, have been included in the attached annual budget. The Trustee has no duty to review or analyze such annual budget, or monitor the compliance by the District with such budget. The Trustee shall retain such annual budget solely as a repository for the Owners of Bonds.

SECTION 5.11 Insurance. The District will procure and maintain such insurance relating to the Operating Systems which it shall deem advisable or necessary to protect its interests and operations, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with public water, sewer and reclaimed water systems similar to the Operating Systems; provided, that any such insurance may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner as is, in the opinion of an accredited actuary, actuarially sound. All policies of insurance required to be maintained hereunder shall provide that the Trustee shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

Notwithstanding the foregoing provisions of this Section, if at any time the District shall be unable to obtain or maintain insurance to the extent required by such provisions on reasonable terms, as to amounts, costs or as to risks, the failure to maintain such insurance shall not constitute an Event of Default under the Indenture if the District shall cause the employment of an independent insurance consultant having a favorable reputation for skill and experience in such matters, for the purpose of reviewing such insurance requirements and making recommendations respecting the types, amounts and provisions of reasonably obtainable

insurance, including self-insurance, or the establishment of other generally accepted forms of alternative protection that should be carried in lieu thereof, or the infeasibility of obtaining insurance, and if the District shall comply with the recommendations made in such report. A signed copy of the report of the insurance consultant shall be filed with the Trustee, and the insurance requirements specified in this Section shall be deemed to be modified to conform with the recommendations in such report.

SECTION 5.12 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 Operating Systems, which records shall be available for inspection by the Trustee at reasonable hours and under reasonable conditions.

(b) the District will prepare and file with the Trustee annually within nine months after the close of each Fiscal Year (commencing with the Fiscal Year ending June 30, 2024):

(i) financial statements of the District for such Fiscal Year prepared in accordance with Generally Accepted Accounting Principles, together with an Accountant's Report thereon; and

(ii) a detailed report as to all insurance policies maintained and self-insurance programs maintained by the District with respect to the Operating Systems as of the close of such Fiscal Year, including the names of the insurers which have issued the policies and the amounts thereof and the property or risks covered thereby.

(c) The Trustee shall have no duty to review, verify or analyze such financial statements and shall hold such financial statements solely as a repository for the benefit of the Owners of the Bonds. The Trustee shall not be deemed to have notice of any information contained therein, default or Event of Default, which may be disclosed therein in any manner.

SECTION 5.13 Payment of Taxes and Compliance with Governmental Regulations.

The District will: (i) pay and discharge all taxes, assessments and other governmental charges which may hereafter be imposed upon the Operating Systems or any part thereof when the same shall become due; and (ii) will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Operating Systems or any part thereof; provided, however, that the District shall not be required to comply with the requirements of either clause (i) or clause (ii) above to the extent that the validity or application of any particular taxes, assessments or other governmental charges, or any particular regulation or requirement, as applicable, shall be contested in good faith and contesting such validity or application will not materially impair the operation or maintenance of the Operating Systems, the financial condition of the District or the ability of the District to perform all of its obligations under the Indenture.

SECTION 5.14 Distribution of Net Revenues for Debt Service. The District hereby covenants that it will distribute Net Revenues available for debt service on Outstanding Bonds and debt service on all other Outstanding Parity Obligations on a pro rata basis without regard to

whether each such Parity Obligation has a funded debt service reserve or a surety bond or other similar funding instrument.

SECTION 5.15 Eminent Domain and Insurance Proceeds. If all or any part of the Operating Systems shall be taken by eminent domain proceedings, or if the District receives any insurance proceeds resulting from a casualty loss to the Operating Systems, the Net Proceeds thereof, at the option of the District, shall be applied either (a) to the proportional redemption of, first, any Parity Obligations, including the Bonds, and second, any Subordinate Obligations, or (b) shall be used to make improvements or additions to the Operating Systems.

SECTION 5.16 Amount of Rates and Charges. To the fullest extent permitted by law, the District shall fix, prescribe and collect Revenues which, together with any *ad valorem* assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, will be at least sufficient to yield during each Fiscal Year Net Revenues which are at least equal to one hundred twenty-five percent (125%) of Aggregate Debt Service payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of this Section.

SECTION 5.17 Parity Obligations.

- (a) The District may at any time issue additional Parity Obligations; provided:
 - (i) The Net Revenues for the Applicable Fiscal Year, as evidenced by both a calculation prepared by the District and a special report on such calculation prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on file with the District, shall have been at least equal to one hundred twenty five percent (125%) of the Aggregate Debt Service for the Applicable Fiscal Year; and
 - (ii) Either of (1) or (2) below:
 - (1) The Net Revenues for the Applicable Fiscal Year, plus any adjustments to Net Revenues to give effect as of the first day of the Applicable Fiscal Year to increases or decreases in rates and charges of the District approved and in effect as of the date of calculation, shall produce an amount at least equal to one hundred twenty-five percent (125%) of the sum of: (i) the Aggregate Debt Service for such Applicable Fiscal Year plus (ii) the Debt Service which would have accrued on any Parity Obligations issued since the end of the Applicable Fiscal Year assuming such Parity Obligations had been issued at the beginning of the Applicable Fiscal Year plus (iii) the Debt Service which would have accrued had the additional Parity Obligations to be issued been issued at the beginning of the Applicable Fiscal Year; or
 - (2) The estimated Net Revenues for each Fiscal Year in the Test Period, plus an allowance for the estimated Net Revenues for each Fiscal Year in the Test Period arising from the completion of any uncompleted projects during the Test Period, plus any increase in the income, rents, fees, rates and charges estimated to be received by

the District and which are economically feasible and reasonably considered necessary based on projected operations for the Test Period, shall produce an amount in each Fiscal Year in the Test Period which is at least equal to one hundred twenty-five percent (125%) of the sum of: (i) Aggregate Debt Service in each such Fiscal Year on all then Outstanding Parity Obligations plus (ii) the Debt Service in each such Fiscal Year on the additional Parity Obligations to be issued plus (iii) the Debt Service in each such Fiscal Year on any additional Parity Obligations estimated by the District to be required to complete all uncompleted projects for which Parity Obligations have been or are being issued, assuming that all such additional Parity Obligations to complete uncompleted projects (other than the Parity Obligations to be issued) have maturities, interest rates and proportionate principal repayment provisions similar to the Parity Obligations then being issued.

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

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

(d) Nothing herein shall preclude the District from issuing any Subordinate Obligations without complying with the provisions of any other subsection of this Section.

SECTION 5.18 No Prior Pledge of Revenues. The District agrees not to create any pledge of, lien on or charge upon the Revenues with a priority prior to or senior to the pledge of the Revenues securing the Parity Obligations. Nothing in this Section, however, shall prevent the District from issuing Subordinate Obligations or granting a pledge of, lien on or charge upon the Revenues in all respects junior and subordinate to the payment of amounts due with respect to Parity Obligations to secure any such Subordinate Obligations. Nothing in the Indenture shall limit the District's payment of the Operation and Maintenance Expenses prior to the payment of the Parity Obligations as provided herein.

ARTICLE VI

DEFAULT AND LIMITATIONS OF LIABILITY

SECTION 6.01 Events of Default. If any of the following events occur, it is hereby declared to constitute an "Event of Default":

- (a) Default in the punctual payment when due of interest on any Outstanding Bond;
- (b) Default in the punctual payment when due of the principal or Redemption Price of any Outstanding Bond;
- (c) IRWD fails to comply with its obligations under Section 5.07;
- (d) An Event of Default (as defined in the applicable governing document) shall occur with respect to any Parity Obligation; or
- (e) Except as expressly provided in the Indenture, IRWD shall fail to observe or perform in any material way any covenant, condition, agreement or provision contained in the Bonds or in the Indenture on the part of IRWD to be performed, other than those set forth in subsections (a), (b), (c), and (d) of this Section, and such failure shall continue for 30 days after written notice specifying such failure and requiring the same to be remedied shall have been given to IRWD by the Trustee, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Owners of not less than 25% in aggregate principal amount of all Bonds then Outstanding; provided, however, that, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by IRWD within the applicable period and diligently pursued until the default is corrected, provided that such correction must occur within 180 days from the date of the delivery of the default notice.

If an Event of Default occurs and is continuing, the Trustee will mail notice of the Event of Default to the Owners as promptly as practicable after it occurs.

SECTION 6.02 Acceleration. If an Event of Default occurs and is continuing, the Trustee by notice to the District, or the Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding by notice to the District and the Trustee, may declare the principal of and accrued interest on the Outstanding Bonds to be due and payable immediately. Upon any such declaration the principal of and accrued interest on the Outstanding Bonds shall be due and payable immediately. Except as provided in this Section, neither the Trustee nor the Owners shall have the right to declare the Bonds to be due and payable. All Net Revenues available on the date of the declaration of acceleration by the Trustee as provided in this Section 8.02 and all Net Revenues thereafter received shall be applied in the following order:

First, to the payment of the fees, costs and expenses of the Trustee, if any, including such fees, costs, and expenses in carrying out the provisions of this Article, including reasonable compensation and expenses to its agents, accountants and counsel and including any indemnification expenses; and

Second, to the payment of the interest on the Outstanding Bonds then due and interest then due and payable on the entire principal amount of the other unpaid Parity Obligations, and the unpaid principal of the Outstanding Bonds and the principal amount of the other Parity Obligations, together in each case with any applicable redemption premiums which have become due and payable, whether on the original due date or upon acceleration, with interest on the overdue principal of the Bonds at the rate or rates applicable to the respective Bonds and the principal amounts of the other unpaid Parity

Obligations at the rate or rates of interest then applicable to such Parity Obligations, and, if the amount available shall not be sufficient to pay in full all the amounts due with respect to the principal of and interest on the Outstanding Bonds and the other Parity Obligations, together with such interest on the Outstanding Bonds and interest on other Parity Obligations, then to the payment thereof ratably, according to the principal and interest due, without any discrimination or preference.

SECTION 6.03 Other Remedies. If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the principal and Redemption Price of, and interest on the Bonds or to enforce the performance of any provision of the Bonds or the Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Bonds or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Owner in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

SECTION 6.04 Waiver of Past Defaults. The Owners of a majority in principal amount of Outstanding Bonds, by notice to the Trustee may waive an existing Event of Default and its consequences. When an Event of Default is waived, it is cured and stops continuing, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent to it.

SECTION 6.05 Control by Majority of Owners. The Owners of a majority in aggregate principal amount of Bonds Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on it; provided such Owners have satisfied the requirements hereunder for giving such instructions, including providing indemnification to the Trustee. The Trustee may refuse to follow any direction that it determines, in its sole opinion, conflicts with law or the Indenture or may result in the Trustee being exposed to personal liability or that the Trustee determines is unduly prejudicial to the rights of other Owners (the Trustee having no duty to make such determination).

SECTION 6.06 Limitation on Suits. An Owner may not pursue any remedy pursuant to Section 6.03 or pursuant to the Bonds unless (a) the Owner gives the Trustee written notice stating that an Event of Default has occurred and is continuing, (b) the Owners of at least 25% in principal amount of the Outstanding Bonds make a written request to the Trustee to pursue the remedy, (c) such Owner or Owners offer to the Trustee indemnity satisfactory to the Trustee (in its sole opinion) against any loss, liability or expense, and (d) the Trustee does not comply with such request within 60 days after receipt of the request and the offer of indemnity.

An Owner may not use the Indenture to prejudice the rights of another Owner or to obtain a preference or priority over any other Owner.

SECTION 6.07 Rights of Owners to Receive Payment. Notwithstanding any other provision of the Indenture, the right of any Owner to receive payment when due of the principal

or Redemption Price of and interest on its Bond or Bonds, or to bring suit for the enforcement of any such payment, shall not be impaired or affected without the consent of the Owner.

SECTION 6.08 Collection Suit by Trustee. If an Event of Default under subsection (a) or (b) of Section 6.01 occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against IRWD for the whole amount remaining unpaid.

SECTION 6.09 Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Owners allowed in any judicial proceedings relative to IRWD or its creditors or its property and, unless prohibited by law or applicable regulations, may vote on behalf of the Owners in any election of a trustee in bankruptcy or other person performing similar functions. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

SECTION 6.10 Priorities. If the Trustee collects any money pursuant to this Article, or is holding any money in the accounts established pursuant to the terms of this Indenture, it shall pay out the money in the following order: first to the Trustee for amounts to which it is entitled under Section 7.03; second to Owners for amounts due and unpaid for principal or Redemption Price of, and interest on, the Outstanding Bonds, ratably, without preference or priority of any kind, according to the amount due and payable on the Bonds for such principal, Redemption Price and interest, respectively; and third to IRWD.

The Trustee may fix a payment date for any payment to the Owners pursuant to this Section, subject to Section 6.02.

SECTION 6.11 Undertaking for Costs. In any suit for the enforcement of any right or remedy under the Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by an Owner pursuant to Section 6.07 or a suit by Owners of more than 25% in aggregate principal amount of Bonds Outstanding.

ARTICLE VII

THE TRUSTEE

SECTION 7.01 Employment and Duties of the Trustee. IRWD hereby appoints and employs the Trustee to perform the obligations of the Trustee contained herein, all in the manner provided herein and subject to the conditions and terms hereof.

SECTION 7.02 Removal and Resignation of the Trustee. The Trustee may resign by notifying IRWD, subject to the conditions set forth below. The Owners of a majority in principal

amount of the Outstanding Bonds may remove the Trustee by notifying the Trustee and may appoint a successor Trustee with the consent of IRWD. IRWD will remove the Trustee by notifying the Trustee if (a) the Trustee fails to comply with the penultimate sentence of the first paragraph of this Section, (b) the Trustee is adjudged a bankrupt or an insolvent, (c) a receiver or other public officer takes charge of the Trustee or its property or (d) the Trustee otherwise becomes incapable of acting, as determined by IRWD. Upon any such removal or resignation, IRWD shall promptly appoint a successor Trustee by an instrument in writing, which successor Trustee shall give notice of such appointment to all Owners as soon as practicable; provided that in the event IRWD does not appoint a successor Trustee within 30 days following the giving of any such notice of removal or the receipt of any such notice of resignation, the removed or resigning Trustee may petition any appropriate court having jurisdiction to appoint a successor Trustee. Any successor Trustee shall be a bank, national banking association or trust company doing business and having a principal corporate trust office in either New York, New York or Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000 and subject to supervision or examination by state or national authorities. If such bank, national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of the appointment by the successor Trustee and the transfer by the retiring Trustee to the successor Trustee of all property held by it hereunder as Trustee.

SECTION 7.03 Compensation and Indemnification of the Trustee. IRWD shall from time to time, subject to any agreement then in effect with the Trustee, pay the Trustee compensation for its services and reimburse the Trustee for all its advances and expenditures hereunder, including but not limited to advances to and fees and expenses of accountants, agents, appraisers, consultants, counsels or other experts employed by it in the observance and performance of its rights and obligations hereunder; provided that the Trustee shall not have any lien for such compensation or reimbursement against any money held by it in any of the Funds established hereunder, although the Trustee may take whatever legal actions are available to it directly against IRWD to recover such compensation or reimbursement.

To the extent permitted by law, IRWD does hereby assume liability for, and agrees to indemnify and hold harmless the Trustee and its officers, directors, agents, and employees from and against any and all claims, damages, suits, liabilities, costs, judgments, and losses (including legal fees and expenses) incurred by the Trustee without negligence or willful misconduct on the part of the Trustee, arising out of or in connection with (i) any breach or default by IRWD of any of its obligations hereunder, (ii) the offering, issuance, sale or any resale of the Bonds or (iii) the acceptance or administration of its duties hereunder, as well as the costs and expenses of enforcing the Indenture against IRWD and defending itself against any claim (whether asserted by IRWD or an Owner and whether or not litigation is commenced) or liability in accordance with the exercise or performance in the absence of negligence or willful misconduct of any of its powers or duties hereunder. The failure of the Trustee to notify IRWD shall not relieve IRWD

of its obligations hereunder. The obligations under this Section shall survive the termination and discharge of the Indenture and the resignation or removal of the Trustee.

When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 7.04 Protection of the Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any affidavit, bond, certificate, consent, notice, request, requisition, resolution, statement, telegram, voucher, waiver or other paper or document which it shall in good faith believe to be genuine and to have been adopted, executed or delivered by the proper party or pursuant to any of the provisions hereof, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee may consult with its counsel with regard to legal questions arising hereunder, and the opinion of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by it hereunder in the absence of negligence or willful misconduct.

Whenever in the observance or performance of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an IRWD Representative, and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

The Trustee may buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Owner may be entitled to take with like effect as if it were not a party hereto. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with IRWD and may act as agent, depositary or trustee for any committee or body of Owners or of owners of obligations of IRWD as freely as if it were not the Trustee hereunder.

The Trustee may act through agents, attorneys, custodians, nominees, or co-trustees (which co-trustees, if any, shall be approved by IRWD) and shall not be responsible for the misconduct or negligence of any agent, attorney, custodian, nominee, or co-trustee appointed with due care.

The Trustee shall not be liable for any action it takes or omits to take in good faith without negligence which it believes to be authorized or within its rights or powers.

The Trustee makes no representation as to the validity or adequacy of the Indenture or the Bonds or compliance with any federal or state securities laws, shall not be accountable for IRWD's covenants and representations contained in the Indenture or the recitals made herein

which are made by IRWD solely, and shall not be responsible for any statement in the Bonds other than its certificate of authentication.

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

The Trustee shall not be deemed to have knowledge of a default or an Event of Default hereunder, unless it shall have actual knowledge at its corporate trust office set forth in Section 10.09 hereof or such other corporate trust office designated by it hereunder.

The Trustee shall not be accountable for the use or application by the District of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or for the use and application of money received by any paying agent. The Trustee may become the owner of Bonds secured hereby with the same rights it would have if not Trustee.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds then outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means (“Electronic Means” means the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that IRWD shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by IRWD, whenever a person is to be added or deleted from the listing. If IRWD elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. IRWD understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. IRWD shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that IRWD and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by IRWD. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. IRWD agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception

and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by IRWD; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; quarantine restrictions, riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

SECTION 7.05 Duties of Trustee. (a) If an Event of Default has occurred and is continuing, the Trustee shall exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default,

(1) The Trustee need perform only those duties that are specifically set forth in the Indenture and no others, and no implied covenants or obligations shall be read into the Indenture against the Trustee, and

(2) In the absence of negligence or willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture. However, the Trustee shall examine these certificates and opinions to determine whether such documents conform to the requirements of the Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that

(1) This paragraph does not limit the effect of subsection (b) of this Section,

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

(3) The Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05, and

(4) No provision of the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly provided, every provision of the Indenture that in any way relates to the Trustee is subject to all the foregoing subsections of this Section.

(e) The Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity satisfactory to it (in its sole opinion) against any loss, liability or expense, but the Trustee shall not require indemnity as a condition to declaring the principal of and interest on the Bonds to be due immediately under Section 6.02, to redeeming Bonds, or making payment on the Bonds.

(f) The Trustee shall not be liable for interest on any cash held by it hereunder.

(g) The permissive right of the Trustee to act hereunder shall not be construed as a duty.

SECTION 7.06 Successor Trustee by Merger. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its assets (or, in the case of a bank, national banking association or trust company, its corporate assets) to, another corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

ARTICLE VIII

AMENDMENT OF OR SUPPLEMENT TO THE INDENTURE

SECTION 8.01 Amendment or Supplement to Indenture. (a) The Bonds and the rights and obligations of IRWD, the Trustee, and the Owners hereunder may be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.03, are filed with the Trustee. No such amendment or supplement shall (1) reduce the rate of interest on any Bond or extend the time of payment thereof or reduce the amount of principal or Redemption Price of any Bond or extend the Principal Payment Dates thereof without the prior written consent of the Owner of the Bond so affected, or (2) reduce the percentage of Owners whose consent is required for the execution of any amendment hereof or supplement hereto, or (3) modify any of the rights or obligations of the Trustee without its prior written consent thereto.

(b) The Indenture, the Bonds and the rights and obligations of IRWD, the Trustee and the Owners hereunder may also be amended or supplemented at any time by an amendment

hereof or supplement hereto which shall become binding upon execution without the written consent of any Owners only after receipt of a Favorable Opinion of Bond Counsel and only for any one or more of the following purposes -

(1) to add to the conditions, covenants and terms contained herein required to be observed or performed by IRWD, other conditions, covenants and terms thereafter to be observed or performed by IRWD, or to surrender any right reserved herein to or conferred herein on IRWD, and which in either case shall not materially adversely affect the interests of the Owners;

(2) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which IRWD may deem desirable or necessary, and which shall not materially adversely affect the interests of the Owners;

(3) to comply with the requirements of each Rating Agency; or

(4) to transfer any Fund or account created in the Indenture held by IRWD as well as any money on deposit in any such Fund or account to the Trustee and to make such provisions for the purpose of correcting or supplementing any provision contained herein to reflect the transfer of such Fund or account.

(c) Notwithstanding anything to the contrary in this Section, no modification, amendment or supplement to the provisions of the Indenture shall be effective until the District delivers to the Trustee a Favorable Opinion of Bond Counsel (including an opinion that such modification, amendment or supplement complies with the terms hereunder) in connection with such modification, amendment or supplement.

SECTION 8.02 Effect of Supplemental Indenture

Upon the District and the Trustee entering into any Supplemental Indenture pursuant to this Article, and satisfying the requirements of Section 8.01(c), the Indenture shall be deemed to be modified, amended or supplemented in accordance therewith, and the respective rights, duties and obligations under the Indenture of the District, the Trustee and all Owners of Outstanding Bonds shall thereafter be determined, exercised and enforced subject in all respects to such modification, amendment and supplement, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes. Except for Supplemental Indentures requiring the consent of Owners pursuant to Section 8.01(a), upon the District and the Trustee entering into any Supplemental Indenture pursuant to this Article, no Owner of any Bond shall have any right to object to the entry into such Supplemental Indenture by the District and the Trustee, or to object to any of the terms and provisions contained therein or the operation thereof or in any manner to question the propriety of the entry into such Supplemental Indenture, or to enjoin or restrain the District or the Trustee from entering into the same or to enjoin or restrain the District or the Trustee from taking any action pursuant to the provisions thereof whether or not such Owner gave his consent to such Supplemental Indenture.

SECTION 8.03 Disqualified Bonds. Bonds held for the account of IRWD shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided herein, and shall not be entitled to consent to or take any other action provided herein (provided, however, that only Bonds that the Trustee actually knows to be so held shall be disregarded, and if all Bonds hereunder are so held, such Bonds shall not be disregarded and shall be deemed Outstanding), and the Trustee may adopt appropriate regulations to require each Owner, before such Owner's consent provided for herein shall be deemed effective, to reveal if the Bonds as to which such consent is given are disqualified as provided in this Section.

SECTION 8.04 Endorsement or Replacement of Bonds After Amendment or Supplement. After the effective date of any action taken as hereinabove provided, the District may determine that the Bonds may bear a notation by endorsement in form approved by the District as to such action, and in that case upon demand of the Owner of any Outstanding Bond and presentation of such Owner's Bond such notation shall be made on such Bond. Upon surrender of each Outstanding Bond, a new Bond shall be exchanged for such surrendered Outstanding Bond, in accordance with the terms and conditions contained in Section 2.07, except that no charge shall be made to the Owner for such exchange. Each such exchanged Bond shall be in substantially the form attached to the Indenture with such changes as are necessary to identify the Bond and the terms thereof. If the District shall so determine, new Bonds so modified as in the opinion of the District shall be necessary to conform to such action shall be prepared, and in that case upon demand of the Owner of any Outstanding Bond, such new Bonds shall be exchanged without cost to each Owner for Bonds then Outstanding at the designated corporate trust operations or agency office of the Trustee upon surrender of such Outstanding Bonds. All Bonds surrendered to the Trustee pursuant to the provisions of this Section shall be cancelled by the Trustee and shall not be redelivered.

SECTION 8.05 Signing by Trustee of Amendments and Supplements. The Trustee will sign any amendment or supplement to the Indenture or the Bonds authorized by this Article if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In signing an amendment or supplement, the Trustee will be entitled to receive and (subject to Section 7.05) will be fully protected in relying on an Opinion of Bond Counsel stating that such amendment or supplement is authorized by the Indenture.

ARTICLE IX

DEFEASANCE

SECTION 9.01 Defeasance. (a) If and when the Bonds secured hereby shall become due and payable in accordance with their terms or through redemption proceedings as provided in the Indenture, or otherwise, and the whole amount of the principal or Redemption Price and the interest so due and payable upon all of the Bonds shall be paid, or provision shall have been made for the payment of the same in accordance with the Indenture, together with all other sums payable under the Indenture by IRWD, including all fees and expenses of the Trustee have been paid in full, then and in that case, the Indenture and the lien created hereby shall be discharged and satisfied and IRWD shall be released from the covenants, agreements and obligations of

IRWD contained in the Indenture, and such lien and all covenants, agreements and other obligations of IRWD hereunder shall cease, terminate, become void and be completely discharged. Upon the occurrence of such event, the Trustee shall assign and transfer to or upon the order of IRWD all property (in excess of the amounts required for the foregoing) then held by the Trustee free and clear of any encumbrances and shall execute such documents as may be reasonably required by IRWD in this regard.

(b) When any of the Bonds shall have been paid or provision shall have been made for the payment of the same in accordance with the Indenture, then the Indenture and the lien created hereby shall be discharged and satisfied in respect of such Bonds and IRWD shall be released from the covenants, agreements and obligations of IRWD contained in the Indenture in respect of such Bonds and such lien and all covenants, agreements and other obligations of IRWD hereunder shall cease, terminate, become void and be completely discharged in respect of such Bonds.

(c) Notwithstanding the satisfaction and discharge of the Indenture or the discharge of the Indenture in respect of any Bonds, those provisions of the Indenture relating to the maturity of the Bonds, interest payments and dates thereof, tender and exchange provisions, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, compliance by IRWD of the covenants contained in Section 5.04 and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon IRWD, the Trustee and the Owners and the Trustee shall continue to be obligated to hold in trust any monies or investments then held by the Trustee for the payment of the principal or Redemption Price of and interest on the Bonds and to pay to the Owners the funds so held by the Trustee as and when such payment becomes due. Notwithstanding the satisfaction and discharge of the Indenture or the discharge of the Indenture in respect of any Bonds, those provisions of the Indenture contained in Section 7.03 relating to the compensation and indemnification of the Trustee shall remain in effect and shall be binding upon the Trustee and IRWD.

SECTION 9.02 Bonds Deemed to Have Been Paid. Any Bond or Bonds shall, prior to the maturity date or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (b) of Section 9.01 if (a) in case said Bonds are to be redeemed on any date prior to their maturity, IRWD shall have given to the Trustee in form satisfactory to the Trustee irrevocable instructions to mail, in accordance with the provisions of Article III, notice of redemption of such Bonds on said Redemption Date, (b) there shall have been deposited with the Trustee either monies in an amount which shall be sufficient, or Government Obligations, the principal of and the interest on which when due, and without any reinvestment thereof, will provide monies which, together with the monies, if any, deposited with or held by the Trustee at the same time, shall be sufficient (as verified by a report of an independent certified public accountant), to pay when due the principal, or Redemption Price, as applicable, of, and interest due and to become due on, said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, and (c) in the event any of said Bonds are not to be redeemed within the next succeeding 60 days after the deposit described in paragraph (b) of this Section has been made with the Trustee, IRWD shall have given the Trustee in form satisfactory to the Trustee irrevocable instructions to mail, as soon as practicable in the same manner as a notice of redemption is mailed pursuant to Article III, a notice to the Owners of such

Bonds and to the Securities Depositories that the deposit required by paragraph (b) of this Section has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or Redemption Dates upon which monies are to be available for the payment of the principal or Redemption Price, as applicable, of said Bonds. Neither the Government Obligations nor monies deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price (if applicable) of, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Government Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, and at the direction of IRWD (upon the Trustee's receipt of an Opinion of Bond Counsel that such reinvestment shall not cause interest on the Bonds to be includible in the gross income of the Owners of the Bonds for federal tax purposes and the below-referenced Accountant's Report) be reinvested in Government Obligations maturing at times and in amounts, together with the other monies and payments with respect to Government Obligations then held by the Trustee pursuant to this Section, sufficient (as verified by an Accountant's Report) to pay when due the principal or Redemption Price (if applicable) of, and interest to become due on said Bonds on and prior to such Redemption Date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall, upon receipt by the Trustee of a written direction of an IRWD Representative, be paid over to IRWD, as received by the Trustee, free and clear of any trust, lien or pledge.

Any release under this Section shall be without prejudice to the right of the Trustee to be paid reasonable compensation for all services rendered by it under the Indenture and all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees, incurred on and about the administration of trusts by the Indenture created and the performance of its powers and duties under the Indenture; provided, however, that the Trustee shall have no right, title or interest in, or lien on, any monies or securities deposited pursuant to this Article.

SECTION 9.03 Monies Held for Particular Bonds. Except as otherwise provided in Section 9.04, the amounts held by the Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners entitled thereto.

SECTION 9.04 Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest, principal or Redemption Price of any Bonds which remains unclaimed for two years after the date when such payments have become payable, if such money was held by the Trustee on such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when such payments have become payable, shall upon written notice from IRWD be repaid by the Trustee to IRWD as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to IRWD for the payment of the interest on, and principal or Redemption Price of, such Bonds; provided that before being required to make any such payment to IRWD, the Trustee shall, at the expense of IRWD, give notice by mail to the Owners of such Bonds that such money remains

unclaimed and that after a date named in such notice, which date shall not be less than 60 days after the date of giving such notice, the Trustee shall promptly pay such unclaimed money to IRWD.

ARTICLE X

MISCELLANEOUS

SECTION 10.01 Benefits of the Indenture Limited. Nothing contained herein, expressed or implied, is intended to give to any person other than IRWD, the Trustee and the Owners any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term contained herein required to be observed or performed by or on behalf of IRWD shall be for the sole and exclusive benefit of the Trustee and the Owners.

SECTION 10.02 Successor Deemed Included in All References to Predecessor. Whenever either IRWD or the Trustee or any officer thereof is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in IRWD or the Trustee or such officer, and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of IRWD or the Trustee or any officer thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 10.03 Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or such Owner's attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which such notary public or other officer purports to act that the person signing such declaration, request or other instrument or writing acknowledged to such notary public or other officer the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Trustee may accept which it may deem sufficient.

Any declaration, request or other instrument in writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done by IRWD or the Trustee in good faith and in accordance therewith.

SECTION 10.04 Waiver of Personal Liability. No supervisor, officer or employee of IRWD shall be individually or personally liable for the payment of the principal or Redemption Price of, or interest on, the Bonds, but nothing contained herein shall relieve any supervisor, officer or employee of IRWD from the performance of any official duty provided by any applicable provision of law or hereby.

SECTION 10.05 Notice by Mail. Any notice required to be given hereunder by mail to Owners shall be given by mailing a copy of such notice, first class postage prepaid, to such Owners at their addresses appearing in the Bond Register.

SECTION 10.06 Funds. Any Fund required to be established and maintained herein by the Trustee may be established and maintained in the account records of the Trustee either as an account or a fund, and may, for the purpose of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such Funds shall at all times be maintained in accordance with sound industry practice and with due regard for the protection of the security of the Bonds and the rights of the Owners.

SECTION 10.07 Partial Invalidity. If any one or more of the conditions, covenants or terms contained herein or required herein to be observed or performed by or on the part of IRWD or the Trustee shall be contrary to law, then such condition or conditions, such covenant or covenants, or such term or terms shall be null and void and shall be deemed separable from the remaining conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection and security afforded to them hereunder and under all provisions of applicable law. The parties hereto declare that they would have executed and delivered the Indenture and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance and delivery of the Bonds pursuant hereto irrespective of the fact that any one or more of the 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 10.08 California Law. The Indenture shall be construed and governed in accordance with the laws of the State without reference to conflict of laws principles.

SECTION 10.09 Notices. All written notices to be given hereunder to IRWD or the Trustee shall be given by first-class mail, postage prepaid to the party entitled thereto at the address set forth below, or at such other address as may be provided by a party to the other party in writing from time to time, namely:

If to the Trustee:	The Bank of New York Mellon Trust Company, N.A. 333 South Hope Street, Suite 2525 Los Angeles, California 90071 Attention: Corporate Trust Administration
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If to IRWD:	Irvine Ranch Water District 15600 Sand Canyon Avenue Irvine, California 92718 Attention: Treasurer
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Unless otherwise requested by IRWD, the Trustee, or Rating Agencies, any notice required to be given hereunder in writing may be given by any form of Electronic Notice capable of making a written record. Each such party shall file with the Trustee information appropriate to receiving such form of Electronic Notice.

SECTION 10.10 Payment Due on Non-Business Days. If a payment date is not a Business Day, then payment may be made on the next Business Day, and no interest shall accrue for the intervening period.

SECTION 10.11 Notices to Rating Agencies. The Trustee or IRWD shall give immediate notice to each Rating Agency in the event:

1. The Trustee resigns or is replaced.
2. The Indenture is amended or supplemented in a manner which materially affects Owners of the Bonds.
3. There has been a redemption (other than a redemption pursuant to subsection (c) of Section 3.02) or defeasance of Bonds.
4. The Bonds have been accelerated pursuant to Section 6.02.

SECTION 10.12 Counterparts. The Indenture may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, IRWD has caused the Indenture of Trust to be signed in its name and on its behalf by the President of its Board of Directors, and its seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused the Indenture to be signed in its name and on its behalf by its duly authorized signatory.

IRVINE RANCH WATER DISTRICT

By: _____

President of the
Board of Directors of the
Irvine Ranch Water District

[SEAL]

ATTEST:

_____, Secretary of
the Board of Directors of
the Irvine Ranch Water District

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____

Authorized Signatory

EXHIBIT A
RESOLUTION AUTHORIZING ISSUANCE

[See Attached.]

EXHIBIT B
BOND FORM

No. 1

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF ORANGE

[bracketed language applies only to bonds to be registered in the name of Cede & Co.]

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE IRVINE RANCH WATER DISTRICT OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

BOND OF IRVINE RANCH WATER DISTRICT
REFUNDING SERIES 2024A

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Irvine Ranch Water District, County of Orange, State of California, duly organized and existing under and by virtue of the California Water District Law, Division 13 of the Water Code of the State of California, hereby acknowledges its indebtedness and promises to pay, solely from the sources described in this Bond, to the Registered Owner named above, or registered assigns, upon presentation and surrender hereof, the above-specified principal amount at the maturity hereof, unless earlier redeemed as provided in this Bond, and to pay interest on such principal amount as provided in this Bond.

THIS BOND SHALL NOT CONSTITUTE AN OBLIGATION OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA OTHER THAN THE IRVINE RANCH WATER DISTRICT AND THE IMPROVEMENT DISTRICTS AS PROVIDED IN THE INDENTURE. NO FUND OR ACCOUNT OF IRWD, INCLUDING ITS GENERAL FUND, OTHER THAN THE FUNDS INCLUDED IN THE TRUST ESTATE, IS LIABLE FOR THE PAYMENT OF THE PRINCIPAL OR

REDEMPTION PRICE OF, OR INTEREST ON, THIS BOND. EXCEPT AS PROVIDED IN THE INDENTURE WITH RESPECT TO THE TRUST ESTATE, NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF IRWD IS LIABLE FOR OR PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THIS BOND.

This Bond is one of the Bonds of Irvine Ranch Water District, Refunding Series 2024A (the “Bonds”), limited to \$_____ in principal amount, issued under the Indenture of Trust, dated as of June 1, 2024 (the “Indenture”), by and between the Irvine Ranch Water District (“IRWD”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Indenture and each Bond issued thereunder shall together constitute the contract between IRWD and the owner of such Bond and reference is hereby made to the Indenture and each Bond for a complete statement of such contract. Capitalized terms used but undefined herein shall have the meanings ascribed thereto in the Indenture.

The Bonds are payable from the funds included in, and secured by a pledge of, the Trust Estate. The Trust Estate includes: (a) the following Assessment Proceeds deposited in the Bond Payment Fund in connection with the Improvement Districts: (1) *ad valorem* assessments on taxable land in the Improvement Districts, (2) In Lieu Charges which in the discretion of the Board of Directors of IRWD are fixed and collected in the Improvement Districts in lieu of assessments, and (3) proceeds from the sale of property in the Improvement Districts for the enforcement of delinquent assessments; and (b) subject to application on the terms and conditions contained in the Indenture, the Revenues.

The Bonds are issued on behalf of, and constitute the consolidated several general obligations, in the amounts (the “Included Amounts”) and the percentages (the “Included Percentages”) set forth below, of Improvement District Nos., 113, 121, 125, 188, 212, and 225 of IRWD (the “Improvement Districts”):

Improvement District No.	Included Amount of Total Par Value	Included Percentage of Total Par Value
112		
113		
125		
188		
212		
225		
Total	\$	100.00%

Each Improvement District is obligated for payments with respect to its Included Amount of Bonds. The Included Amount for any Improvement District shall be adjusted pursuant to calculations made by IRWD and delivered to the Trustee, without the need for any amendment of or supplement to the Indenture, at any time Bonds are redeemed. Under the circumstances described in the Indenture, IRWD may allocate redeemed Bonds to the Included Amount of any Improvement District.

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

Subject to the application of the Revenues on the terms and conditions provided in the Indenture, the District has pledged all Revenues to the payment when due of the principal and Redemption Price of, and interest on, the Outstanding Bonds which pledge is on a parity with any pledge of Revenues securing other Parity Obligations. This pledge shall constitute a pledge of and charge and lien upon the Revenues for the payment of the principal and Redemption Price of, and interest on, the Outstanding Bonds and all other Parity Obligations in accordance with the terms of the Indenture after payment from the Revenues of the Operation and Maintenance Expenses, and reserves therefor, as provided in the Indenture.

Interest will accrue on the unpaid portion of the principal of this Bond from the Interest Payment Date immediately preceding the date of authentication of this Bond to which interest has been paid or provided for, unless this Bond is authenticated prior to the initial Record Date, in which case this Bond shall bear interest from the Dated Date set forth above, until the entire principal amount of this Bond is paid.

The principal and Redemption Price of, and interest on, the Bonds shall be payable in lawful money of the United States of America. Except as otherwise provided in the Representation Letter, the interest on the Bonds shall be payable each [May 1 and November 1, commencing November 1, 2024] (the "Interest Payment Dates"), by check mailed on the applicable Interest Payment Date by the Trustee to the respective Owners thereof at their addresses as they appear on the fifteenth day of the month preceding the applicable Interest Payment Date (the "Record Date") in the registration books for the Bonds required to be kept by the Trustee. In the case of an Owner of Bonds of \$1,000,000 or more in aggregate principal amount, upon the written request of such Owner to the Trustee, received at least 10 days prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds on the following Interest Payment Date. Any such request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Trustee. The principal of each Bond shall be payable on the maturity date, or earlier redemption, upon surrender thereof at the principal corporate trust office of the Trustee. If any payment on the Bonds is due on a non-Business Day, it will be made on the next Business Day and no interest will accrue as a result.

The Bonds shall be issued in registered form without coupons in denominations of \$5,000 or any integral multiple of \$5,000. An Owner may transfer or exchange Bonds in accordance with the terms of the Indenture.

The registered owner of this Bond shall be treated as the Owner hereof for all purposes.

The Bonds are subject to optional and mandatory redemption on the terms and conditions and at the respective Redemption Prices set forth in the Indenture.

Except as otherwise provided in the Indenture, redeemed Bonds shall be credited proportionally to all Improvement Districts. Whenever less than all Outstanding Bonds are to be redeemed and sufficient monies are available for such purpose from or for the account of an Improvement District, IRWD may elect to redeem all or any portion of any such Improvement District's Included Amount.

Notice of redemption shall be given by mail by the Trustee to the Owners of any Bonds designated for redemption in whole or in part no less than 30 days nor more than 60 days prior to the Redemption Date. Any notice mailed as provided in the Indenture will be conclusively presumed to have been given, whether or not actually received by any Owner. The failure of any Owner to receive such notice will not affect the validity of the redemption of any Bonds.

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

Upon surrender of any Bond redeemed in part only, the Trustee shall authenticate and deliver to the Owner thereof a new Bond or Bonds representing the unredeemed principal amount of the Bond so surrendered.

If notice of redemption has been duly given as provided in the Indenture and money for the payment of the Redemption Price of the Bonds or portions thereof to be redeemed is held by the Trustee, then, on the Redemption Date designated in such notice, the Bonds or portions thereof so called for redemption shall become payable at the Redemption Price specified in such notice; and from and after the date so designated, interest thereon or on the portions thereof so called for redemption, shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefit, protection or security under the Indenture and the Owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the Redemption Price as provided in the Indenture.

If IRWD at any time deposits with the Trustee money and/or Government Obligations sufficient to pay when due, whether on the redemption or maturity date thereof, the principal or

Redemption Price (if applicable) of any Outstanding Bonds, and the interest thereon to such redemption or maturity date, in accordance with the Indenture, the obligations of IRWD to the Owners of such Bonds under the Indenture will be discharged. After discharge, Owners must look only to the deposited money and securities for payment.

Subject to certain exceptions, the Indenture or the Bonds may be amended or supplemented, and any past default or compliance with any provision thereof may be waived, with the consent of the Owners of a majority in principal amount of the Outstanding Bonds. Without the consent of the Owners, IRWD may amend or supplement the Indenture or the Bonds for certain purposes permitted under the Indenture, as described therein.

The Indenture provides that the occurrences of certain events constitute Events of Default. Upon an Event of Default, the maturity of all of the Bonds may be accelerated as provided in the Indenture. An Event of Default and its consequences may be waived or limited as provided in the Indenture. Owners may not enforce the Indenture or the Bonds except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Bonds under certain conditions unless it receives indemnity satisfactory to it. Subject to certain limitations, the Owners of a majority in principal amount of the Outstanding Bonds may direct the Trustee in its exercise of any trust or power.

No member, director, officer or employee, as such, of IRWD shall have any liability for any obligations of IRWD under the Bonds or the Indenture or for any claim based on such obligations or their creation. Each Owner by accepting a Bond waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Bonds.

This Bond shall not be valid for any purpose until the Trustee signs the Certificate of Authentication.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of IRWD, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, the Irvine Ranch Water District has caused this Bond to be dated as of the Dated Date set forth above, to be signed by the President of the Board of Directors of said District by his signature and its seal to be hereunto affixed and attested by the Secretary of said District.

IRVINE RANCH WATER DISTRICT

By: _____
President of the Board of Directors

[SEAL]

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds referred to in the within-mentioned Indenture, which has been authenticated on _____.

**The Bank of New York Mellon Trust Company,
N.A., as Trustee**

By: _____
Authorized Signatory

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

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

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2024

NEW ISSUE—BOOK-ENTRY ONLY

RATINGS:
Standard & Poor's: "____"
Fitch: "____"
(See "RATINGS" herein)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2024A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2024A Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2024A Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2024A Bonds. See "TAX MATTERS."

[IRWD LOGO]

\$ _____*

**BONDS OF IRVINE RANCH WATER DISTRICT
REFUNDING SERIES 2024A**

Dated: Date of Delivery

Due: May 1, as shown on the inside front cover

The Series 2024A Bond are being issued by the Irvine Ranch Water District under the Indenture of Trust, dated as of June 1, 2024, by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee. The proceeds of the Series 2024A Bonds will be used: (i) to provide a portion of the funds to redeem the outstanding Bonds of Irvine Ranch Water District, Series 2010B (Federally Taxable—Build America Bonds); (ii) to pay the costs of issuance of the Series 2024A Bonds. See the captions "THE REFUNDING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS."

The Series 2024A Bonds will be issued in book-entry form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Purchasers of the Series 2024A Bonds will not receive physical certificates representing their interests in Series 2024A Bonds purchased. DTC will act as securities depository for the Series 2024A Bonds. The principal of and interest on the Series 2024A Bonds are payable directly to DTC by the Trustee. Upon receipt of payments of such principal and interest, DTC is obligated to remit such principal and interest to DTC participants for subsequent disbursement to the Beneficial Owners of the Series 2024A Bonds.

Interest on the Series 2024A Bonds is payable on November 1, 2024 and semiannually on each May 1 and November 1 thereafter. Individual purchases of Series 2024A Bonds will be made in principal amounts of \$5,000 and integral multiples thereof.

The Series 2024A Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as more fully described under the caption "THE SERIES 2024A BONDS—Redemption of Series 2024A Bonds."

The Series 2024A Bonds constitute the consolidated, several general obligations of Improvement District Nos. 112, 113, 125, 188, 212 and 225, which are geographical subdivisions of the District through which the District funds capital improvements. The Series 2024A Bonds will be payable from the following sources in an amount proportionate to the principal amount of Series 2024A Bonds allocated to each of these Improvement Districts: (i) Assessment Proceeds, consisting of *ad valorem* assessments on taxable land, In Lieu Charges and proceeds from the sale of property for the enforcement of delinquent assessments collected from within each Improvement District and applied by the District to pay such Improvement District's Included Amount of the principal of and interest on the Series 2024A Bonds; (ii) Net Revenues of the District, consisting of the proceeds of water, sewer and reclaimed water rates and charges imposed by the District that remain after payment of Operation and Maintenance Expenses; and (iii) certain moneys and investment earnings in certain funds and accounts created under the Indenture.

The obligation of the District to pay the principal of and interest on the Series 2024A Bonds from Net Revenues is on a parity with certain Parity Obligations described under the caption "SECURITY FOR THE SERIES 2024A BONDS—Existing Parity Obligations." The District may enter into additional Parity Obligations in accordance with the terms of the Indenture. See the caption "SECURITY FOR THE SERIES 2024A BONDS—Limitations on Parity and Superior Obligations."

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Series 2024A Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

THE SERIES 2024A BONDS SHALL NOT CONSTITUTE AN OBLIGATION OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT AND THE IMPROVEMENT DISTRICTS AS PROVIDED IN THE INDENTURE. NO FUND OR ACCOUNT OF THE DISTRICT, INCLUDING ITS GENERAL FUND, OTHER THAN THE FUNDS INCLUDED IN THE TRUST ESTATE, IS LIABLE FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2024A BONDS. EXCEPT AS PROVIDED IN THE INDENTURE WITH RESPECT TO THE TRUST ESTATE, NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS LIABLE FOR OR PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2024A BONDS.

The Series 2024A Bonds will be offered when, as and if issued, subject to the approval of validity by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the District by Hanson Bridgett LLP, as general counsel to the District, for the Underwriter by Stradling Yocca Carlson & Rauth LLP, and for the Trustee by its counsel. It is anticipated that the Series 2024A Bonds will be available for delivery through the DTC book-entry system on or about June 4, 2024.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Goldman Sachs & Co. LLC

Dated: _____, 2024

\$ _____ *

**BONDS OF IRVINE RANCH WATER DISTRICT
REFUNDING SERIES 2024A**

Maturity Schedule

Base CUSIP^{®†}: 463632

<i>Maturity Date (May 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP^{®†}</i>
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\$ _____ % Term Series 2024A Bond due May 1, 20__ – Yield _____%, Price: _____, CUSIP^{®†}: _____

\$ _____ % Term Series 2024A Bond due May 1, 20__ – Yield _____%, Price: _____, CUSIP^{®†}: _____

* Preliminary, subject to change.

† CUSIP[®] is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems. Copyright© CUSIP Global Services. All rights reserved. CUSIP[®] data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP[®] numbers are provided for convenience of reference only. None of the District, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representation other than as set forth herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024A Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2024A Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

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

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2024A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CERTAIN STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT REFLECT NOT HISTORICAL FACTS BUT FORECASTS AND “FORWARD-LOOKING STATEMENTS.” NO ASSURANCE CAN BE GIVEN THAT THE FUTURE RESULTS DISCUSSED HEREIN WILL BE ACHIEVED, AND ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THE FORECASTS DESCRIBED HEREIN. IN THIS RESPECT, THE WORDS “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “EXPECT,” “INTEND,” “BELIEVE” AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALL PROJECTIONS, FORECASTS, ASSUMPTIONS, EXPRESSIONS OF OPINIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. THE PROJECTIONS CONTAINED IN THIS OFFICIAL STATEMENT WILL NOT BE UPDATED AS PART OF THE DISTRICT’S CONTINUING DISCLOSURE OBLIGATIONS FOR THE SERIES 2024A BONDS.

THE SERIES 2024A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE SERIES 2024A BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

The District maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2024A Bonds.

IRVINE RANCH WATER DISTRICT
Orange County, California

Board of Directors

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

Management

Paul A. Cook, *General Manager*
Neveen Adly, *Executive Director of Finance and Administration, Treasurer*
Kristine Swan, *Secretary*

District General Counsel

Hanson Bridgett LLP
Los Angeles, California

Bond Counsel

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Municipal Advisor

PFM Financial Advisors LLC
Los Angeles, California

Trustee

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

Verification Agent

Causey Demgen & Moore P.C.
Denver, Colorado

[REGIONAL MAP]

[MAP OF WATER IMPROVEMENT DISTRICTS]

[MAP OF SEWER IMPROVEMENT DISTRICTS]

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OFFICIAL STATEMENT

\$ _____ *
BONDS OF IRVINE RANCH WATER DISTRICT
REFUNDING SERIES 2024A

INTRODUCTION

This Introduction is subject in all respects to the more complete information contained and referenced elsewhere in this Official Statement. The offering of the Series 2024A Bonds to potential investors is made only by means of the entire Official Statement.

Purpose

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to set forth certain information concerning the Irvine Ranch Water District (the “**District**”) and Improvement District Nos. 112, 113, 125, 188, 212 and 225 (collectively, the “**Improvement Districts**” or individually, an “**Improvement District**”) which are geographical subdivisions of the District through which the District funds capital improvements, in connection with the sale by the District of \$ _____ * aggregate principal amount of its Bonds of Irvine Ranch Water District, Refunding Series 2024A (the “**Series 2024A Bonds**”), which Series 2024A Bonds constitute the consolidated several general obligations of Improvement District Nos. 112, 113, 125, 188, 212 and 225.

The Series 2024A Bonds are being issued pursuant to an Indenture of Trust, dated as of June 1, 2024 (the “**Indenture**”), by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**Trustee**”). The Series 2024A Bonds are payable from the following sources in an amount that is proportionate to the principal amount of Series 2024A Bonds allocated to each Improvement District: (i) Assessment Proceeds, consisting of *ad valorem* assessments on taxable land, In Lieu Charges and proceeds from the sale of property for the enforcement of delinquent assessments collected from within each Improvement District and applied by the District to pay such Improvement District’s Included Amount of the principal of and interest on the Series 2024A Bonds; (ii) Net Revenues of the District, consisting of the proceeds of water, sewer and reclaimed water rates and charges imposed by the District that remain after payment of Operation and Maintenance Expenses; and (iii) certain moneys and investment earnings in certain funds and accounts created under the Indenture.

The proceeds of the Series 2024A Bonds will be used: (i) to provide a portion of the funds to redeem the outstanding Bonds of Irvine Ranch Water District, Series 2010B (Federally Taxable—Build America Bonds) (the “**Series 2010B Bonds**”); (ii) to pay the costs of issuance of the Series 2024A Bonds. See the captions “THE REFUNDING PLAN” and “ESTIMATED SOURCES AND USES OF FUNDS.”

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

The District

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

* Preliminary, subject to change.

Improvement Districts

Set forth below are brief descriptions of the Improvement Districts for which the Series 2024A Bonds constitute consolidated, several general obligations. For more complete information with respect to the Improvement Districts, see Appendix A under the caption “THE IMPROVEMENT DISTRICTS.”

Improvement District Nos. 125 and 225. Improvement District No. 125 (water) covers approximately 35,438 acres of the District, including several contiguous and non-contiguous areas in the central and coastal parts of the District. Improvement District No. 225 (sewer) covers approximately 32,862 acres of the District, including several contiguous and non-contiguous areas in the central part of the District. Currently, the majority of the land within Improvement District Nos. 125 and 225 consists of developed residential and commercial property. However, the District expects certain areas within Improvement District Nos. 125 and 225 to be subject to infill development and redevelopment in the future. The District expects such additional development in Improvement District Nos. 125 and 225 to continue through at least 2028. The Fiscal Year 2024 assessed value of the land in Improvement District No. 125 is \$58,826,902,804. The Fiscal Year 2024 assessed value of the land in Improvement District No. 225 is \$50,684,289,211.

Improvement District No. 113. Improvement District No. 113 (water) is coterminous with Improvement District No. 213 (sewer) and is located in portions of the Cities of Tustin and Irvine. Improvement District No. 113 is comprised of approximately 1,629 acres of the land formerly known as Marine Corps Air Station Tustin. The boundaries of Improvement District No. 113 is Harvard Avenue on the southeast, Barranca Parkway on the southwest, Red Hill Avenue on the northwest and Edinger Avenue on the northeast. The former helicopter base, now known as Tustin Legacy, is currently being redeveloped with residential, commercial, institutional and recreational uses. The District expects development in Improvement District No. 113 to continue through 2028. The District expects that the development will consist of approximately 7,200 dwelling units and approximately 9,700,000 square feet of commercial, institutional and recreational uses when completed. The Fiscal Year 2024 assessed value of the land in Improvement District No. 113 is \$1,588,646,528.

Improvement District Nos. 112 and 212. Improvement District No. 112 (water) is coterminous with Improvement District No. 212 (sewer) and is generally bound by Interstate 5 to the south, State Route 133 to the west, Irvine Boulevard and Portola Parkway to the north and Alton Parkway to the east. Improvement District Nos. 112 and 212 are comprised of approximately 3,353 acres of land and include residential, commercial, institutional and recreational developments. The Fiscal Year 2024 assessed value of the land in coterminous Improvement District Nos. 112 and 212 is \$4,929,961,405.

Improvement District No. 188. Improvement District No. 188 (water) is coterminous with Improvement District No. 288 (sewer) and is located in the northeastern portion of the District. Improvement District No. 188 is comprised of approximately 216 acres. Improvement District No. 188 is nearly fully developed. At build-out, the development is anticipated to consist of approximately 1,130 residential units and 38 acres of commercial, public facilities and parks. The Fiscal Year 2024 assessed value of the land in Improvement District No. 188 is \$388,854,365.

Security for the Series 2024A Bonds

Assessment Proceeds. The Series 2024A Bonds constitute the several general obligations of the Improvement Districts payable from Assessment Proceeds (as such term is defined below) in an amount that is proportionate to the principal amount of the Series 2024A Bonds allocated to each Improvement District (each Improvement District’s “**Included Amount**”). Proceeds of assessments on land located in any improvement district of the District other than the Improvement Districts will not be available to make debt service payments on the Series 2024A Bonds. See the caption “SECURITY FOR THE SERIES 2024A BONDS.”

The District has covenanted in the Indenture that to the extent necessary to pay principal of and interest on the Included Amount for each respective Improvement District, the District will: (a) fix and collect, or cause the fixing and collection of, *ad valorem* assessments on taxable land in such Improvement District; (b) pursue any remedy available to collect, or cause the collection of, delinquent *ad valorem* assessments and apply amounts realized from the sale of any property for the enforcement of delinquent *ad valorem* assessments to the payment of principal of and interest on the Included Amount of Series 2024A Bonds of the applicable Improvement District; and (c) in its discretion, impose and collect, or cause the imposition and collection of, charges for water or sewer service, as applicable, in the applicable Improvement District in lieu of *ad valorem* assessments (the “**In Lieu Charges**”). Proceeds of (a), (b) and (c) as described in the foregoing sentence are collectively referred to for all Improvement Districts as the “**Assessment Proceeds**.” See the caption “SECURITY FOR THE SERIES 2024A BONDS.”

As among the Improvement Districts, Assessment Proceeds collected in any Improvement District will not be available to pay any other Improvement District’s share of debt service of the Series 2024A Bonds. Initially, each Improvement District’s Included Amount and Included Percentage (constituting a fraction: (i) the numerator of which is equal to the Included Amount for such Improvement District; and (ii) the denominator of which is equal to the principal amount of all Outstanding Series 2024A Bonds) are as set forth below.

<i>Improvement District No.</i>	<i>Included Amount*</i>	<i>Included Percentage*</i>
112		1.71%
113		3.03
125		35.80
188		0.74
212		4.80
225		<u>53.92</u>
Total		<u>100.00%</u>

The Included Amount for each Improvement District with respect to the Series 2024A Bonds and any other outstanding or future District general obligation bonds issued for such Improvement District are equally secured by the *ad valorem* assessments and any charges for water or sewer service, as applicable, imposed and collected in lieu of *ad valorem* assessments, collected within such Improvement District. The *ad valorem* assessments are levied only on land and are based on the land value of parcels in the Improvement District without regard to the value of any improvements thereon. See Appendix A under the caption “THE IMPROVEMENT DISTRICTS.”

During the term of the Series 2024A Bonds, the Included Amounts and Included Percentages for any Improvement District may be adjusted as a result of redemption of Series 2024A Bonds allocated to one or more Improvement Districts, pursuant to calculations made by the District and delivered to the Trustee pursuant to the Indenture, without need for any amendment of or supplement to the Indenture.

Pledge of Revenues. The Series 2024A Bonds are also payable from the Net Revenues of the District and are secured by a pledge of the Revenues of the District, subject to the application of the Revenues as provided in the Indenture. Net Revenues for any period consist of the Revenues of the District less the Operation and Maintenance Expenses of the District for such period, as such terms are defined under the caption “SECURITY FOR THE SERIES 2024A BONDS—Pledge of Revenues.”

Net Revenues collected within any improvement district of the District, including the Improvement Districts, are available to make debt service payments on the Series 2024A Bonds.

* Preliminary, subject to change.

The obligation of the District to pay the principal of and interest on the Series 2024A Bonds from Net Revenues is payable on a parity with the District's obligations under certain Parity Obligations. See the caption "SECURITY FOR THE SERIES 2024A BONDS—Existing Parity Obligations." The District may enter into additional Parity Obligations in accordance with the terms of the Indenture. See the caption "SECURITY FOR THE SERIES 2024A BONDS—Limitations on Parity and Superior Obligations"

The District has covenanted in the Indenture, to the fullest extent permitted by law, to fix, prescribe and collect Revenues which, together with any *ad valorem* assessments that are available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, will be at least sufficient to yield during each Fiscal Year Net Revenues which are at least equal to one hundred twenty-five percent (125%) of Aggregate Debt Service payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classifications thereof as it deems necessary, but will not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of the rate covenant with respect to all outstanding Parity Obligations. See the caption "SECURITY FOR THE SERIES 2024A BONDS—Rate Covenant."

Limited Obligations. THE SERIES 2024A BONDS SHALL NOT CONSTITUTE AN OBLIGATION OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT AND THE IMPROVEMENT DISTRICTS AS PROVIDED IN THE INDENTURE. NO FUND OR ACCOUNT OF THE DISTRICT, INCLUDING ITS GENERAL FUND, OTHER THAN THE FUNDS INCLUDED IN THE TRUST ESTATE, IS LIABLE FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2024A BONDS. EXCEPT AS PROVIDED IN THE INDENTURE WITH RESPECT TO THE TRUST ESTATE, NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS LIABLE FOR OR PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2024A BONDS.

Professionals Involved in the Issue

The Bank of New York Mellon Trust Company, N.A. will serve as Trustee under the Indenture. Certain legal matters incident to the authorization, issuance and sale of the Series 2024A Bonds will be subject to the approval of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Certain legal matters will be passed upon for the Hanson Bridgett LLP (its "**General Counsel**"), for the Underwriter by Stradling Yocca Carlson & Rauth LLP, and for the Trustee by its counsel.

Forward-Looking Statements

Certain statements that are included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 2000, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget," "intend" or similar words. Such forward-looking statements include, but are not limited to, certain statements contained in Appendix A. Forward-looking statements in this Official Statement are subject to risks and uncertainties. Actual results may vary from forecasts or projections contained herein because events and circumstances do not occur as expected, and such variances may be material.

Summaries Not Definitive

The summaries and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such summary or reference is qualified in its entirety by reference to each such document, statute, report or instrument. The capitalization of any word not conventionally capitalized or otherwise defined herein, indicates that such word is defined in the

Indenture and, as used herein, has the meaning given to it in the Indenture. Unless otherwise indicated, all financial and statistical information herein has been provided by the District.

All references to and summaries of the Indenture, documents, statutes, reports and other instruments referred to herein are qualified in their entirety by reference to the full Indenture, and each such document, statute, report or instrument, respectively. Forward looking statements in this Official Statement are subject to risks and uncertainties. Actual results may vary from forecasts or projections contained herein because events and circumstances do not occur as expected, and such variances may be material. The projections contained in this Official Statement will not be updated as part of the District's continuing disclosure obligations for the Series 2024A Bonds.

Additional Information

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

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

REFUNDING PLAN

The Series 2010B Bonds, which are currently outstanding in the aggregate principal amount of \$175,000,000, were executed and delivered under an Indenture, dated as of December 1, 2010 (the "**Series 2010B Indenture**"), by and between the District and U.S. Bank Trust Company, National Association. The District plans to apply a portion of the proceeds of the Series 2024A Bonds to provide the funds necessary to redeem all of the outstanding Series 2010B Bonds on or about the date of issuance of the Series 2024A Bonds. The Series 2010B Bonds are designated as "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009 signed into law on February 17, 2009 and will be redeemed pursuant to the District's exercise of the extraordinary optional redemption feature provided for in the Series 2010B Indenture.

To effect such redemption, the District will cause a portion of the proceeds of the Series 2024A Bonds to be deposited with the 2010B Trustee on the date of issuance of the Series 2024A Bonds. From such moneys, together with moneys held in the funds and accounts established in connection with the Series 2010B Bonds, the District will cause the 2010B Trustee to redeem the 2010B Bonds maturing on or after the date of issuance of the Series 2024A Bonds at a redemption price equal to the greater of: (i) 100% of the principal amount of the Series 2010B Bonds to be redeemed, and (ii) the sum of the present values of the remaining scheduled payments of principal of and interest on the Series 2010B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which Series 2010B Bonds are to be redeemed, discounted to the redemption date on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined in the 2010B Indenture), plus 100 basis points; plus, in each case, accrued and unpaid interest on the Series 2010B Bonds to be redeemed to the redemption date.

As a result of the deposit and application of funds as provided above, all obligations with respect to the Series 2010B Bonds will be redeemed and defeased pursuant to the provisions of the 2010B Indenture as of the date of issuance of the Series 2024A Bonds. The amounts held by the 2010B Trustee for the purposes described above are pledged solely to the redemption of the Series 2010B Bonds and will not be available for payments on the Series 2024A Bonds.

Sufficiency of the deposits with the 2010B Trustee for such purposes will be verified by Causey Demgen & Moore P.C. (the “**Verification Agent**”). Assuming the accuracy of such computations, as a result of the deposit and application of funds as provided above, the 2010B Bonds will no longer be outstanding under the provisions of the 2010B Indenture as of the date of issuance of the Series 2024A Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Series 2024A Bonds are as follows:

Sources

Principal Amount of Series 2024A Bonds
[Net] Original issue [Premium/Discount]
Total

Uses

Deposit with 2010B Trustee
Underwriter’s Discount
Costs of Issuance⁽¹⁾
Total

⁽¹⁾ Includes legal, financing and consulting fees, rating agency fees, printing costs and other miscellaneous expenses.

THE SERIES 2024A BONDS

General

The Series 2024A Bonds will be dated the date of their initial issuance, will be payable in the years and amounts and will represent interest at the respective rates set forth on the inside front cover page of this Official Statement. Interest on the Series 2024A Bonds will be payable on November 1, 2024 and each May 1 and November 1 thereafter (each, an “**Interest Payment Date**”). Interest on the Series 2024A Bonds will be calculated on the basis of a 360-day year composed of twelve 30-day months. Payment will be made on each Interest Payment Date for unpaid interest accrued to but not including such Interest Payment Date. The Series 2024A Bonds will be delivered in the form of fully registered bonds and, when issued, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“**DTC**”). DTC will act as securities depository for the Series 2024A Bonds. Ownership interest in the Series 2024A Bonds may be purchased in book-entry form only in denominations of \$5,000 or any integral multiple thereof. See “—Book-Entry Only System” below and Appendix E hereto.

While DTC acts as the securities depository for the Series 2024A Bonds, payment of the principal of and interest on the Series 2024A Bonds will be made by the Trustee to DTC or its nominee and disbursed to the Beneficial Owners of the Series 2024A Bonds as described under the caption “—Book-Entry Only System” and in Appendix E. When there is no securities depository for the Series 2024A Bonds, payment of interest on each Series 2024A Bond will be payable in lawful money of the United States of America on the Interest Payment Dates by check Mailed on the applicable Interest Payment Date by the Trustee to the respective Owners thereof at their addresses as they appear on the applicable Record Date in the Bond Register, except that in the case of an Owner of \$1,000,000 or more in aggregate principal amount of Series 2024A Bonds, upon the written request of such Owner to the Trustee, received at least 10 days prior to a Record Date, specifying the account or accounts to which such payment will be made, payment of interest will be made by wire transfer of immediately available funds on the following Interest Payment Date. Any such request will remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Trustee. The principal of each Series 2024A Bond will be payable, on the due date thereof pursuant to the Indenture, upon surrender thereof at the Corporate Trust Office of the Trustee.

Transfer and Exchange of the Series 2024A Bonds

While DTC acts as the securities depository for the Series 2024A Bonds, transfers of interests in the Series 2024A Bonds by Beneficial Owners will be made pursuant to the applicable DTC transfer procedures. See the caption “—Book-Entry Only System” and Appendix E. When there is no securities depository for the Series 2024A Bonds, the Series 2024A Bonds will be transferable or exchangeable by the Owner thereof, in person or by the Owner’s attorney duly authorized in writing, at the Corporate Trust Office of the Trustee in the Bond Register, upon surrender of such Series 2024A Bonds accompanied by delivery of a duly executed written instrument of transfer or exchange in a form approved by the Trustee. Whenever any Series 2024A Bond or Bonds are surrendered for transfer or exchange, the Trustee will execute and deliver a new Series 2024A Bond or Bonds of Authorized Denominations of the same aggregate principal amount and terms, except that the Trustee may require the payment by any Owner requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange. All Series 2024A Bonds that are surrendered pursuant to the provisions of the Indenture will be cancelled by the Trustee, will not be redelivered and will be disposed of as directed by the District. All Series 2024A Bonds that are issued in exchange for Series 2024A Bonds pursuant to the Indenture will be in the same Mode as the Series 2024A Bonds in exchange for which such Series 2024A Bonds were issued.

The Trustee is not required to transfer or exchange: (i) any Bonds during the period commencing on the date 10 days prior to the date of selection of Series 2024A Bonds for redemption and ending on such date of selection; or (ii) any Series 2024A Bond selected for redemption in whole or in part.

Redemption of Series 2024A Bonds

Optional Redemption. The Series 2024A Bonds maturing on or after May 1, 20__ are subject to redemption at the option of the District in whole or, in part in Authorized Denominations, on _____ 1, 20__ and any Business Day thereafter at a Redemption Price of 100% of the principal amount of the Series 2024A Bonds being redeemed, together with unpaid accrued interest, if any, to the Redemption Date, without premium.

Mandatory Sinking Fund Redemption. The Series 2024A Bonds maturing on May 1, 20__ are subject to mandatory sinking fund redemption in part on May 1, 20__ and on each May 1 thereafter, upon notice as provided in the Indenture, at a Redemption Price equal to 100% of the principal amount of the Series 2024A Bonds to be redeemed, without premium, in the years and principal amounts as follows:

<i>Mandatory Sinking Fund Redemption Date (May 1)</i>	<i>Principal Amount</i>
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† Maturity.

The Series 2024A Bonds maturing on May 1, 20__ are subject to mandatory sinking fund redemption in part on May 1, 20__ and on each May 1 thereafter, upon notice as provided in the Indenture, at a Redemption Price equal to 100% of the principal amount of the Series 2024A Bonds to be redeemed, without premium, in the years and principal amounts as follows:

<i>Mandatory Sinking Fund Redemption Date (May 1)</i>	<i>Principal Amount</i>
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† Maturity.

Upon any purchase and cancellation of Series 2024A Bonds by the District, or any optional redemption of Series 2024A Bonds, an amount equal to the aggregate principal amount of Series 2024A Bonds so purchased or redeemed will be credited toward a part or all of any one or more yearly mandatory sinking fund redemptions required by the Indenture, as directed in writing by the District provided that such direction is received by the Trustee at least 45 days before the date of such mandatory redemption. Any such direction will state the years in which and the amounts by which such mandatory redemptions are to be reduced. The portion of any such mandatory redemption remaining after the deduction of any such amounts credited toward the same (or the original amount of any such mandatory redemption if no such amounts have been credited toward the same) will constitute the unsatisfied balance of such mandatory redemption for the purpose of the calculation of principal payments due on any future Principal Payment Date.

Notice of Redemption

Notice of redemption shall be given by mail by the Trustee to the Owners of any Series 2024A Bonds designated for redemption in whole or in part not less than 30 days nor more than 60 days prior to the redemption date. Each notice of redemption shall state the redemption date, the redemption place, the redemption price, and will (in the case of any Series 2024A Bonds called for redemption in part only) state the portion of the principal amount thereof which is to be redeemed, and will state that, if money for the payment of the redemption price of the Series 2024A Bonds or portions thereof to be redeemed, including any unpaid accrued interest due upon such redemption, is then held by the Trustee, the interest on the Series 2024A Bonds to be redeemed or portion thereof designated for redemption will cease to accrue from and after such redemption date and that on such redemption date there will be come due and payable on each of the Series 2024A Bonds or portions thereof designated for redemption, the redemption price thereof. The failure of any Owner to receive such notice will not affect the validity of the redemption of any Series 2024A Bonds.

With respect to any notice of the redemption of Series 2024A Bonds at the option of the District, unless at the time such notice is given the Trustee holds sufficient available funds to pay the redemption price of the Series 2024A Bonds to be redeemed, such notice will state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of monies that will be sufficient to pay the redemption price of the Series 2024A Bonds to be redeemed and that if such monies will not have been so received said notice will be of no force and effect and the District will not be required to redeem such Series 2024A Bonds. In the event a notice of redemption of Series 2024A Bonds contains such a condition and such monies are not so received, the redemption of Series 2024A Bonds as described in the conditional notice of redemption will not be made and the Trustee will, within a reasonable time after the date on which such redemption was to occur, give notice to the persons to whom such notice of redemption was sent, in the manner in which the notice of redemption was given, that such monies were not so received and that there will be no redemption of Series 2024A Bonds pursuant to such notice of redemption.

Any notice mailed as provided above will be conclusively presumed to have been given, whether or not actually received by any Owner.

Book-Entry Only System

One fully-registered Series 2024A Bond will be issued in the principal amount of the Series 2024A Bonds. Such Series 2024A Bond will be registered in the name of Cede & Co. and will be deposited with DTC. So long as DTC, or its nominee Cede & Co., is the registered owner of all the Series 2024A Bonds, all payments of principal of and interest on the Series 2024A Bonds will be made directly to DTC. Disbursement of such payments to the DTC Participants will be the responsibility of DTC. Disbursement of such payments to the Beneficial Owners of the Series 2024A Bonds will be the responsibility of the DTC Participants as more fully described herein. See “APPENDIX E—“BOOK-ENTRY ONLY SYSTEM.”

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Series 2024A Bonds will be printed and delivered and will be governed by the provisions of the Indenture with respect to payment of principal and interest and rights of exchange and transfer.

The District cannot and does not give any assurances that DTC participants or others will distribute payments with respect to the Series 2024A Bonds received by DTC or its nominee as the registered Owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will service and act in the manner described in this Official Statement. See Appendix E hereto for additional information concerning DTC. See APPENDIX E—“BOOK-ENTRY SYSTEM.”

DEBT SERVICE SCHEDULE

<i>Bond Year Ending May 1</i>	<i>Principal</i>	<i>Interest</i>	<i>Total Debt Service</i>
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SECURITY FOR THE SERIES 2024A BONDS

General

Sources of Payment. The Series 2024A Bonds constitute the consolidated, several general obligations of the Improvement Districts payable from: (i) Assessment Proceeds collected from within each Improvement District and applied by the District to pay such Improvement District’s Included Amount of the principal of, and interest on, Outstanding Series 2024A Bonds; (ii) Net Revenues of the District; and (iii) certain moneys and investment earnings in certain funds and accounts created under the Indenture. See the caption “—Pledge of Revenues.”

Authority for Issuance. Elections have been held in each of the Improvement Districts at which the qualified voters within each Improvement District authorized the District to incur an indebtedness and issue general obligation bonds for each respective Improvement District. See APPENDIX A—“IRVINE RANCH WATER DISTRICT” herein for a discussion of the bond authorization, amount of outstanding bonds and

remaining bond authorization for each of the Improvement Districts. The Series 2024A Bonds are authorized for issuance pursuant to the Act and all laws of the State amendatory thereof or supplemental thereto.

Covenant to Collect Assessment Proceeds. The District has covenanted in the Indenture that to the extent necessary to pay principal of and interest on the Included Amount for each respective Improvement District, the District will: (a) fix and collect, or cause the fixing and collection of, *ad valorem* assessments on taxable land in such Improvement District; (b) pursue any remedy available to collect, or cause the collection of, delinquent *ad valorem* assessments and apply amounts realized from the sale of any property for the enforcement of delinquent *ad valorem* assessments to the payment of principal of and interest on the Included Amount of Series 2024A Bonds of the applicable Improvement District; and (c) in its discretion, impose and collect, or cause the imposition and collection of, In Lieu Charges, which consist of charges for water or sewer service, as applicable, in the applicable Improvement District in lieu of *ad valorem* assessments.

Additional Covenants. See the caption “—Rate Covenant” and Appendix C under the caption “COVENANTS” for a summary of additional covenants of the District under the Indenture.

Pledge of Trust Estate. Pursuant to the Indenture, the District has pledged the Trust Estate thereunder to secure the payment of the Series 2024A Bonds issued thereunder. The “**Trust Estate**” under the Indenture consists of the following:

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

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

Pledge of Revenues

Subject to the application of the Revenues on the terms and conditions provided in the Indenture, Revenues have been irrevocably pledged to the payment when due of the principal and Redemption Price of, and interest on, the Outstanding Series 2024A Bonds, which pledge is on a parity with any pledge of Revenues securing other Parity Obligations. Such pledge constitutes a pledge of and charge and lien upon the Revenues for the payment of the principal and Redemption Price of, and interest on, the Outstanding Series 2024A Bonds and all other Parity Obligations in accordance with the terms of the Indenture and the Series 2024A Bonds after payment from the Revenues of the Operation and Maintenance Expenses, and the funding of contingency reserves therefor, as provided in the Indenture.

“**Net Revenues**” consist of for any period of time, the Revenues for such period less the Operation and Maintenance Expenses for such period.

“**Revenues**” consist of Utility Rates and Charges (as such term is defined below) and other revenues of the District, including, without limiting the generality of the foregoing, the proceeds of any stand-by or natural treatment, connection and water availability charges; together with the District’s share of the Orange County, California 1% *ad valorem* property tax (to the extent not applied by the District to pay principal of and interest on Secured Bonds (as such term is defined below)) and Investment Income; but excluding in all cases: (i) customer deposits or any other deposits or advances that are subject to refund until such deposits or advances have become the property of the District; (ii) any proceeds of taxes or *ad valorem* assessments restricted by law to be used by the District to pay bonds issued by the District, and the proceeds of any actions to enforce delinquent *ad valorem* assessments; and (iii) In Lieu Charges, which consist of water, sewer and reclaimed water rates and charges levied in lieu of *ad valorem* assessments pursuant to Sections 36425 and 35975 of the Act.

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

“Operating Systems” consist of all property and rights in property owned by the District, and used by the District in providing water, sewer, surface runoff and/or reclaimed water services and any other utilities and services which the District may provide, including all facilities included in its water, sewer and reclaimed water systems, rights to water and capacity and other rights or interests in water production, transmission, treatment and disposal facilities, as now existing or hereafter acquired or constructed and as the same may be modified and expanded, including all replacements thereof and improvements thereto.

“Secured Bonds” are bonds of the District that are secured by a pledge of the District’s share of the Orange County 1% general *ad valorem* property tax pursuant to Resolution 2002-10, adopted by the Board of Directors of the District on April 8, 2002.

“Utility Rates and Charges” consist of all water, sewer and reclaimed water rates and charges imposed by the District in connection with providing water, sewer and reclaimed water services to retail customers through the Operating Systems, including commodity, service, standby, material treatment and connection charges, except: (i) In Lieu Charges; and (ii) customer deposits.

Net Revenues collected within any improvement district of the District, including the Improvement Districts, are available to make debt service payments on the Series 2024A Bonds.

Allocation of Assessment Proceeds Under the Indenture

Allocation of Revenues. In order to carry out and effectuate the pledge and lien on the Revenues contained in the Indenture, the District has agreed and covenanted in the Indenture that all Revenues received by it will be deposited when and as received in the Revenue Fund, which fund has been previously established by the District and which fund the District has agreed and covenanted to maintain as a special fund, separate and apart from other moneys of the District so long as any Series 2024A Bonds remain Outstanding. All Revenues will be applied in the following order of priority:

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

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

Third: (i) two Business Days before each Interest Payment Date, to a deposit to the Bond Payment Fund in an amount equal to the transfer to the Interest Account and Principal Account to be made on such Interest Payment Date; and (ii) on each date, other than an Interest Payment Date, on which the principal

of an Outstanding Series 2024A Bond becomes due, whether by mandatory redemption, acceleration, or otherwise, to a deposit to the Bond Payment Fund in an amount equal to the principal and Redemption Price of, and interest on, the Outstanding Series 2024A Bonds coming due on such date. Notwithstanding the provisions of the immediately preceding sentence, no such deposit to the Bond Payment Fund need be made by the District to the extent that the Trustee then holds, or is concurrently receiving from the District from Assessment Proceeds or other sources that do not constitute Revenues, moneys for such purpose in the Bond Payment Fund, or being deposited in the Bond Payment Fund, available to pay the principal and Redemption Price of, and interest on, the Outstanding Series 2024A Bonds to be paid with such deposit. The District will also pay to the party entitled thereto or transfer or cause to be transferred to any applicable debt service or other payment fund or account for any Parity Obligations (other than the principal and Redemption Price of, and interest on, the Outstanding Series 2024A Bonds), without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, on the dates specified in the proceedings relating to such Parity Obligations, the sum or sums required to be paid or deposited in such debt service or other payment fund or account with respect to principal, premium, if any, and interest on Parity Obligations (other than the principal and Redemption Price of, and interest on, the Outstanding Series 2024A Bonds) in accordance with the terms of such Parity Obligations.

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

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

Bond Payment Fund. There has been established and created a fund with the Trustee under the Indenture designated the “Bonds of Irvine Ranch Water District, Refunding Series 2024A Bond Payment Fund” (the “**Bond Payment Fund**”). The Trustee will transfer money contained in the Bond Payment Fund to the accounts described below at the following times in the manner provided in the Indenture, which accounts the Trustee has agreed to establish and maintain so long as the Indenture is not discharged in accordance with the provisions thereof, and each such account constitutes a trust fund for the benefit of the Owners of the Series 2024A Bonds, and the money in each such account will be disbursed only for the purposes and uses authorized in the Indenture.

Interest Account. The Trustee, on each Interest Payment Date, will deposit in the Interest Account from money in the Bond Payment Fund an amount which, together with amounts already on deposit in the Interest Account, will be sufficient to pay interest on the Outstanding Series 2024A Bonds due on such Interest Payment Date. Money in the Interest Account will be used and withdrawn by the Trustee on each Interest Payment Date solely for the payment of interest on the Outstanding Series 2024A Bonds then due.

Principal Account. The Trustee, on each Principal Payment Date, will deposit in the Principal Account from money in the Bond Payment Fund such amount as is sufficient to pay the principal of the Outstanding Series 2024A Bonds due on such Principal Payment Date. Money in the Principal Account will be used and withdrawn by the Trustee on each Principal Payment Date solely for the payment of the principal of Outstanding Series 2024A Bonds then due.

Redemption Account. The Trustee will deposit in the Redemption Account amounts received from the District to pay the Redemption Price of Series 2024A Bonds to be redeemed. Money in such Redemption Account will be used and withdrawn by the Trustee on each Redemption Date solely for the payment of the Redemption Price of Outstanding Series 2024A Bonds upon the redemption thereof.

Existing Parity Obligations

Upon the issuance of the 2024A Bonds, the District has entered into certain Parity Obligations described below. The reimbursement agreements described in (i) through (iv) below relate to outstanding *ad valorem* assessment bonds:

- (i) the Amended and Restated Reimbursement Agreement, dated as of April 1, 2011, by and between the District and Bank of America, N.A., as amended;
- (ii) the Reimbursement Agreement, dated as of May 7, 2015, between the District and U.S. Bank National Association, as amended;
- (iii) the Reimbursement Agreement, dated as of April 1, 2011, between the District and Sumitomo Mitsui Banking Corporation, as amended;
- (iv) the Amended and Restated Reimbursement Agreement, dated as of April 1, 2011, between the District and U.S. Bank National Association, as amended;
- (v) the two Reimbursement Agreements, dated as of February 1, 2024, between the District and Bank of America, N.A.;
- (vi) the District's Bonds of Irvine Ranch Water District Refunding Series 2011A-1, which are currently outstanding in the aggregate principal amount of \$38,760,000;
- (vii) the District's Bonds of Irvine Ranch Water District Refunding Series 2011A-2, which are currently outstanding in the aggregate principal amount of \$25,840,000; and
- (viii) the Installment Sale Agreement securing the District's Certificates of Participation Irvine Ranch Water District Series 2016 is outstanding in the aggregate principal amount of \$105,710,000; and
- (ix) the District's Bonds of Irvine Ranch Water District Series 2016 currently outstanding in the aggregate principal amount of \$98,980,000.

The agreements described in clauses (i) through (v) above are collectively referred to as the “**Prior Reimbursement Agreements.**” There are currently no reimbursement obligations outstanding under the Prior Reimbursement Agreements, although the District may incur reimbursement obligations under the Prior Reimbursement Agreements as provided therein. For a summary of the stated amount of each letter of credit associated with the Prior Reimbursement Agreements, see Appendix A under the caption “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Parity Obligations.”

Rate Covenant

The District has covenanted in the Indenture, to the fullest extent permitted by law, to fix, prescribe and collect Revenues which, together with any *ad valorem* assessments that are available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, will be at least sufficient to yield during each Fiscal Year Net Revenues which are at least equal to one hundred twenty-five percent (125%) of Aggregate Debt Service payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classifications thereof as it deems necessary, but will not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of the rate covenant with respect to all outstanding Parity Obligations.

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

Limitations on Parity and Superior Obligations

Obligations Superior to the Series 2024A Bonds. The District has covenanted in the Indenture that it will not, so long as any Series 2024A Bonds are Outstanding, issue or incur any obligations secured by a pledge of Revenues and payable from Net Revenues prior or superior to the payment of the principal and redemption price of, and interest on, the Series 2024A Bonds.

Obligations on a Parity with the Series 2024A Bonds.

(a) The District may at any time issue any Parity Obligations in accordance with the Indenture, provided that:

(i) The Net Revenues for the Applicable Fiscal Year, as evidenced by both a calculation prepared by the District and a special report on such calculation prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on file with the District, are at least equal to one hundred twenty-five percent (125%) of the Aggregate Debt Service for the Applicable Fiscal Year; and

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

(1) The Net Revenues for the Applicable Fiscal Year, plus any adjustments to Net Revenues to give effect as of the first day of the Applicable Fiscal Year to increases or decreases in rates and charges of the District approved and in effect as of the date of calculation, produce an amount at least equal to one hundred twenty-five percent (125%) of the sum of: (i) the Aggregate Debt Service for such Fiscal Year; plus (ii) the Debt Service which would have accrued on any Parity Obligations issued since the end of the Applicable Fiscal Year assuming that such Parity Obligations had been issued at the beginning of the Applicable Fiscal Year; plus (iii) the Debt Service which would have accrued had the additional Parity Obligations to be issued been issued at the beginning of the Applicable Fiscal Year; or

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

(b) Notwithstanding the foregoing, additional Parity Obligations issued to refund outstanding Parity Obligations may be issued without satisfying any of the conditions set forth above if Aggregate Debt Service after the issuance of such additional Parity Obligations in each Fiscal Year in the Refunding Test

Period is not greater than the Aggregate Debt Service in each such Fiscal Year before the issuance of such additional Parity Obligations.

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

Notwithstanding the foregoing, so long as the 2010 Installment Sale Agreement remains outstanding, the District will need to comply with the requirements set therein for the issuance of Parity Obligations, which are identical to those set forth in clauses (a), (b) and (c) above except that the Assessment Proceeds (and any assessment proceeds related to other Parity Obligations) which are applied as a credit to Debt Service in clauses (a) and (b) above are included as revenues for purposes of such calculation and the definition of Aggregate Debt Service in the 2010 Installment Sale Agreement does not provide an offset for debt service paid from Assessment Proceeds (and any assessment proceeds related to other Parity Obligations) associated with Revenue Enhancement Agreements. In addition, certain of the Prior Reimbursement Agreements related to outstanding *ad valorem* assessment bonds of the District, and certain swap agreements entered into by the District, have conditions precedent to the issuance of Parity Obligations that are more stringent than those listed above.

Obligations Subordinate to the Series 2024A Bonds. Nothing in the Indenture precludes the District from issuing any Subordinate Obligations without complying with the foregoing provisions.

Limited Liability

THE SERIES 2024A BONDS SHALL NOT CONSTITUTE AN OBLIGATION OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT AND THE IMPROVEMENT DISTRICTS AS PROVIDED IN THE INDENTURE. NO FUND OR ACCOUNT OF THE DISTRICT, INCLUDING ITS GENERAL FUND, OTHER THAN THE FUNDS INCLUDED IN THE TRUST ESTATE, IS LIABLE FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2024A BONDS. EXCEPT AS PROVIDED IN THE INDENTURE WITH RESPECT TO THE TRUST ESTATE, NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS LIABLE FOR OR PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2024A BONDS.

THE IRVINE RANCH WATER DISTRICT

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

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the holders and beneficial owners of the Series 2024A Bonds to provide certain financial information and operating data relating to the District (each an “**Annual Report**”) by not later than 270 days following the end of the District’s fiscal year (which fiscal year ends on June 30), commencing with the Annual Report for the 2023-24 fiscal year, and to provide notices of the occurrence of certain enumerated events. The Annual Reports will be filed by the District with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“**EMMA**”) System (the “**Repository**”) for the purpose of S.E.C. Rule 15c2-12(b)(5) (the “**Rule**”). The notices of material events will be filed by the District with the Repository. The specific nature of the information to be made available and to

be contained in the notices of material events is summarized in APPENDIX F—“FORM OF CONTINUING DISCLOSURE CERTIFICATE” hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

The District has previously entered into continuing disclosure undertakings under the Rule in connection with the issuance of municipal obligations. The District believes that it is currently in material compliance with all of its continuing disclosure undertakings. However, the District’s Annual Reports for Fiscal Year 2020 mistakenly omitted a table that was required to be updated annually in connection with two District bond issuances. Makeup filings containing the required information were posted to EMMA prior to the date of this Official Statement. Except as disclosed above, the District has not in the past five years failed to comply with its continuing disclosure undertakings in any material respect.

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

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

LITIGATION

There is no action, suit or proceeding known to be pending, or to the knowledge of the District, threatened, in any way contesting or affecting the validity of, the Series 2024A Bonds or the Indenture. There is no litigation known to be pending, or to the knowledge of the District, threatened, questioning the existence of the District or the title of the officers of the District to their respective offices.

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

RATINGS

S&P Global Ratings, a Standard & Poor’s Financial Services LLC business (“S&P”) and Fitch Ratings, Inc. (“Fitch”) have assigned the Series 2024A Bonds the ratings of “_____” and “_____,” respectively. Generally, rating agencies base their ratings on information and material furnished directly to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions made by them. The ratings reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained from the applicable rating agency. Future events could have an adverse impact on the ratings of the Series 2024A Bonds, and there is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. There is also no assurance that the criteria required to achieve the ratings on the Series 2024A Bonds will not change during the period that the Series 2024A Bonds remain outstanding. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2024A Bonds.

In providing ratings on the Series 2024A Bonds, S&P and Fitch may have performed independent calculations of coverage ratios using their own internal formulas and methodology, which may not reflect the provisions of the Indenture. The District makes no representations as to any such calculations, and such calculations should not be construed as a representation by the District as to past or future compliance with any financial covenants, the availability of particular revenues for the payment of debt service or for any other purpose.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2024A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2024A Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2024A Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2024A Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix D hereto.

To the extent the issue price of any maturity of the Series 2024A Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2024A Bonds which is excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2024A Bonds is the first price at which a substantial amount of such maturity of the Series 2024A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2024A Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon trade or business disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Series 2024A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2024A Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2024A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2024A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2024A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2024A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2024A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2024A Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2024A Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2024A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2024A Bonds. Prospective purchasers of the Series 2024A Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2024A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2024A Bonds ends with the issuance of the Series 2024A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Series 2024A Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2024A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2024A Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

Payments on the Series 2024A Bonds generally will be subject to U.S. information reporting and possibly to “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Bonds may be subject to backup withholding with respect to “reportable payments,” which include interest paid on the Series 2024A Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2024A Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

UNDERWRITING

The Series 2024A Bonds are being purchased pursuant to a purchase contract between the District and Goldman Sachs & Co. LLC (the “**Underwriter**”).

The Underwriter has agreed to purchase the Series 2024A Bonds at a purchase price of \$_____, which is equal to the aggregate principal amount of the Series 2024A Bonds, [plus/less] [net] original issue [premium/discount] and less an Underwriter’s discount of \$_____. The purchase contract provides that the Underwriter will purchase all of the Series 2024A Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the purchase contract.

The Underwriter may offer and sell the Series 2024A Bonds to certain dealers and others at prices or yields below those stated on the cover page of this Official Statement. The offering prices or yields may be changed from time to time by the Underwriter.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and certain of its affiliates have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC, Los Angeles, California, is acting as the municipal advisor (the “**Municipal Advisor**”) to the District in connection with various matters relating to the issuance and sale of

the Series 2024A Bonds. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement, or any other related information available to the District and the Board, with respect to the accuracy and completeness of disclosure of such information. No guaranty, warranty or other representation is made by the Municipal Advisor respecting accuracy and completeness of this Official Statement or any other matter related to thereto. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, issuance and sale of the Series 2024A Bonds are subject to the approval of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. The form of approving opinion of Bond Counsel is included as Appendix D to this Official Statement and the approving opinion will be delivered with the Series 2024A Bonds. Certain legal matters will be passed upon for the District by its General Counsel, for the Underwriter by Stradling Yocca Carlson & Rauth LLP, and for the Trustee by its counsel.

INDEPENDENT ACCOUNTANTS

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

MISCELLANEOUS

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

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or registered owners of any of the Series 2024A Bonds. The delivery and distribution of this Official Statement have been duly authorized by the District.

IRVINE RANCH WATER DISTRICT

By: _____
Treasurer

APPENDIX A
IRVINE RANCH WATER DISTRICT

APPENDIX B
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APPENDIX E

BOOK-ENTRY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2024A Bonds, payment of principal, premium, if any, accreted value, if any, and interest with respect to on the Series 2024A Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Series 2024A Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, acts as securities depository for the Series 2024A Bonds. The Series 2024A Bonds are fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond was issued for each maturity of the Series 2024A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 2024A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bonds representing their ownership interests in Series 2024A Bonds, except in the event that use of the book-entry system for the Series 2024A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2024A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024A Bonds; DTC's records reflect only the identity of

the Direct Participants to whose accounts such Series 2024A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holding on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2024A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2024A Bond documents. For example, Beneficial Owners of Series 2024A Bonds may wish to ascertain that the nominee holding the Series 2024A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2024A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2024A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2024A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments with respect to the Series 2024A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2024A Bonds purchased or tendered, through its Participant, to the Tender Agent, and shall effect delivery of such Series 2024A Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2024A Bonds, on DTC's records, to the Tender Agent. The requirement for physical delivery of Series 2024A Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2024A Bonds are transferred by Direct Participants or DTC's records and followed by book-entry credit of tendered Series 2024A Bonds to the Tender Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2024A Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2024A Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2024A Bonds will be printed and delivered.

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX A

IRVINE RANCH WATER DISTRICT

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INTRODUCTION

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

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

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

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

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

THE IRVINE RANCH WATER DISTRICT

General

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

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

The District builds and maintains significant capital infrastructure in order to serve its customers and is organized into Improvement Districts in order to allocate funding responsibility for capital facilities to the area which will benefit from such capital facilities and to separate areas on the basis of projected timing of development. This allows capital facilities construction to be matched to the development approval decisions of the respective local agencies that make them. Some of the Improvement Districts share in the funding of the District's regional facilities that such Improvement Districts use or will use in common, such as major water importation facilities and water and wastewater treatment plants. In 2013, the District reviewed its capital funding plan, which resulted in a master consolidation and combination of several Improvement Districts. The District now has a total of eight water Improvement Districts and ten sewer Improvement Districts which cover specific areas within the District's boundaries, each of which is governed in accordance with the Act and all but one of which have the authority to issue general obligation indebtedness. See the Official Statement under the caption "INTRODUCTION—Improvement Districts—Improvement District Nos. 125 and 225" for a discussion of the effect on the Series 2024 Bonds of the consolidation and combination of such Improvement Districts.

See Table 3 under the caption "—Outstanding Indebtedness—Improvement District Indebtedness" for information with respect to the amount of authorized and outstanding *ad valorem* assessment bonds for Improvement District Nos. 112, 113, 188, 125, 212 and 225.

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

Board of Directors and General Manager

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

Board of Directors. The present Directors are:

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

Steven E. LaMar, Division 2. Mr. LaMar was appointed to the District's Board of Directors in 2009 and has since been elected to subsequent terms. Mr. LaMar currently serves as Vice President of the Board of

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

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

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

her Ph.D. in geological and environmental sciences from Stanford University, and worked as a post-doctoral researcher at the University of California, Irvine. Ms. McLaughlin is an active participant in scientific societies. She is a member of the Coastal and Estuarine Research Federation, the American Geophysical Union, the American Society of Limnology and Oceanography and the California Estuarine Research Society, in which she serves as membership coordinator and has served on planning committees for several conferences, including the National Monitoring Conference. Ms. McLaughlin's current term ends in November 2024.

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

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

Employees

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

Pension Benefits

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Post-Employment Benefits

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

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

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

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

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

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

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

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

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

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

Source: The District.

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

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

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

Source: The District.

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

Budget Process

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

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

Water and Sewer System Insurance

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

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

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

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

Time and Manner of Payments for Service Charges

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

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

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

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

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

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

Outstanding Indebtedness

Improvement District Indebtedness. As of December 31, 2023, the District had \$488,780,000 aggregate principal amount of outstanding *ad valorem* assessment bonds (the “**Ad Valorem Assessment Bonds**”) on behalf of the Improvement Districts. The Ad Valorem Assessment Bonds are secured by *ad valorem* assessments on land within the respective Improvement District, and are not by their terms payable from Revenues, except for the Series 2024 Bonds, the Series 2010B Bonds, the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1 (the “**Series 2011A-1 Bonds**”), the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2 (the “**Series 2011A-2 Bonds**”) and the Bonds of Irvine Ranch Water District, Series 2016 (the “**Series 2016 Bonds**”), each of which is described below under the caption “—Parity Obligations.” The District’s practice has been to apply Net Revenues remaining after the payment of debt service on Parity Obligations and subordinate obligations to the principal of and interest on the Ad Valorem Assessment Bonds. Pursuant to Section 35975 of the Act, the District also may levy certain rates and charges in lieu of *ad valorem* assessments to pay the Ad Valorem Assessment Bonds. The District does not currently levy in-lieu rates and charges. Any such in-lieu rates and charges levied by the District in the future would not constitute Revenues. The following table illustrates a breakdown of outstanding Ad Valorem Assessment Bonds by Improvement District as of December 31, 2023.

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

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

⁽¹⁾ The Series 2024 Bonds represent the consolidated, several general obligations of these Improvement Districts. See the Official Statement under the caption “SECURITY FOR THE SERIES 2024 BONDS—General—Assessment Proceeds and Pledge of Revenues.”

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

⁽³⁾ Also referred to as Improvement District No. 210.

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

Source: The District.

Parity Obligations. In addition to the Series 2024 Bonds, the District has the following Outstanding Parity Obligations:

- **Prior Reimbursement Agreements.** In connection with the District’s prior issuances of variable interest rate *ad valorem* assessment bonds, the District has entered into several reimbursement agreements (the “**Prior Reimbursement Agreements**”) with various letter of credit banks (the “**Prior Banks**”). Pursuant to the terms of the Prior Reimbursement Agreements, the District’s obligations to reimburse the Prior Banks will be payable from Net Revenues on parity with the Series 2024 Bonds and other Parity Obligations. There are currently no reimbursement obligations outstanding, although the District may incur reimbursement obligations under such Prior Reimbursement Agreements as provided therein. Variable interest rate bonds that are purchased by a Prior Bank bear interest at a significantly higher interest rate, and a Prior Bank that has purchased such bonds may elect to convert the term of such bonds into a term loan that is amortizable over a period of up to three years, depending upon the applicable Prior Reimbursement Agreement, resulting in significant increases in debt service. The following table summarizes the stated amount of each letter of credit associated with the Prior Reimbursement Agreements.

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

<i>General Obligation Bonds</i>	<i>Outstanding Principal</i>	<i>Letter of Credit Bank</i>	<i>Expiration Date</i>	<i>Letter of Credit Stated Amount</i>	<i>Reimbursement Obligations Outstanding</i>
Series 1993	\$ 21,200,000	U.S. Bank National Association	05/01/25	\$ 21,485,764	\$ 0
Series 2008A	39,000,000	Sumitomo Mitsui Banking Corp.	05/28/25	39,576,986	0
Series 2009A	45,000,000	U.S. Bank National Association	05/01/25	45,503,014	0
Series 2009B	45,000,000	Bank of America, N.A.	04/21/25	45,503,014	0
Series 2011A-1 ⁽¹⁾	38,760,000	Bank of America, N.A.	02/08/27	39,193,263	0
Series 2011A-2 ⁽¹⁾	<u>25,840,000</u>	Bank of America, N.A.	02/08/27	26,128,842	<u>0</u>
TOTAL	\$ 214,800,000				\$ 0

⁽¹⁾ The Prior Reimbursement Agreements for the Series 2011A Bonds were entered into effective February 8, 2024. The Series 2011A Bonds are also payable from Net Revenues on a parity with the Series 2024 Bonds and other Parity Obligations as described further below.

Source: The District.

- **Series 2010B Bonds.** In 2010, the District issued \$175,000,000 aggregate principal amount of Series 2010B Bonds. The Series 2010B Bonds were outstanding as of December 31, 2023 in the aggregate principal amount of \$175,000,000 and mature in 2040. As described further under the caption “THE REFUNDING PLAN,” a portion of the proceeds of the Series 2024 Bonds are expected to be used to refund the outstanding Series 2010B Bonds.

- **Series 2011A-1 Bonds.** In 2011, the District issued \$60,545,000 aggregate principal amount of Series 2011A-1 Bonds. The Series 2011A-1 Bonds were outstanding as of December 31, 2023 in the aggregate principal amount of \$38,760,000 and mature in 2037. In addition to In addition to: (i) *ad valorem* assessments on taxable land in certain Improvement Districts levied pursuant to the Act; (ii) water or sewer charges, as applicable, which in the discretion of the Board of Directors of the District are fixed and collected in such Improvement Districts in lieu of *ad valorem* assessments pursuant to the Act; and (iii) proceeds from the sale of property in such Improvement Districts for the enforcement of delinquent assessments pursuant to the Act (collectively, “**Assessment Proceeds**”), the Series 2011A-1 Bonds are payable from Net Revenues on a parity with the Series 2024 Bonds and other Parity Obligations.

- **Series 2011A-2 Bonds.** In 2011, the District issued \$40,370,000 aggregate principal amount of Series 2011A-2 Bonds. The Series 2011A-2 Bonds were outstanding as of December 31, 2023 in the aggregate principal amount of \$25,840,000 and mature in 2037. In addition to Assessment Proceeds, the Series 2011A-2 Bonds are payable from Net Revenues on a parity with the Series 2024 Bonds and other Parity Obligations.

The 2011A-1 Bonds and the 2011A-2 Bonds are currently in a daily rate mode and are supported by separate Prior Reimbursement Agreements, as described in Table 4 above.

- **2016 Installment Sale Agreement.** In 2016, the District entered into an Installment Sale Agreement (the “**2016 Installment Sale Agreement**”) in connection with the execution and delivery of the District’s \$116,745,000 aggregate principal amount of Certificates of Participation Irvine Ranch Water District Series 2016. The 2016 Installment Sale Agreement was outstanding as of December 31, 2023 in the aggregate principal amount of \$105,710,000 and matures in 2046. The District’s obligation to make installment payments

pursuant to the 2016 Installment Sale Agreement is payable from Net Revenues on a parity with the Series 2024 Bonds and other Parity Obligations.

- Series 2016 Bonds. In 2016, the District issued \$103,400,000 aggregate principal amount of Series 2016 Bonds. The Series 2016 Bonds were outstanding as of December 31, 2023 in the aggregate principal amount of \$98,980,000 and mature in 2046. In addition to Assessment Proceeds, the Series 2016 Bonds are payable from Net Revenues on a parity with the Series 2024 Bonds and other Parity Obligations.

Future Indebtedness. The District currently anticipates issuing additional bonds in the estimated principal amount of \$200 million in Fiscal Year 2027, although the District has not yet determined which source of revenues will be pledged to repay such bonds and there can be no assurance as to the ultimate timing or principal amount of such bonds. Proceeds from such bonds are expected to be used to finance various capital projects throughout the District. Given the uncertainties associated with the timing of and repayment source for such proposed bonds, the projected operating results set forth under the caption “WATER AND SEWER SYSTEM FINANCIAL INFORMARTION—Projected Operating Results and Debt Service Coverage” do *not* reflect any projected debt service on such bonds in Fiscal Years 2027 or 2028.

Subordinate Debt.

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

The Swaps are evenly distributed, as to notional amount on a particular payment date, between two swap counterparties – Bank of America, N.A. (“**BANA**”) and Citibank, N.A. (“**Citibank**”). For additional information with respect to the payment terms and other information relating to the Swaps, see Note 3 to the District’s audited financial statements attached to the Official Statement as Appendix B. Regularly-scheduled and early termination payments with respect to the Swaps constitute unsecured general obligations of the District payable from legally available funds. The Swaps are payable from certain Revenues on a subordinate basis to the District’s obligation to pay the Series 2024 Bonds and debt service on other Parity Obligations. In addition, any amounts received by the District pursuant to the Swaps constitute Revenues and, as such, are pledged to the payment of the Series 2024 Bonds and other Parity Obligations. Based on the structure and financial terms of each Swap, the mark-to-market value of the Swaps will not exceed a collateral threshold amount of \$15,000,000; accordingly, the District does not expect to post collateral with respect to the Swaps in the future.

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

In addition, the Swap counterparties may fail or be unable to perform, actual interest rates may vary from assumptions or the District could be required to make a net payment (on a subordinate basis to the Series 2024 Bonds) to a Swap counterparty in the event of an early termination of one or more Swaps. The early termination of a Swap may not affect the obligations of the counterparty with respect to the other Swap. The District cannot predict if any of the foregoing events will occur with respect to one or more of the Swaps. The District may also elect from time to time to enter into additional interest rate swap agreements with security and payment provisions determined by the District, and the risks described in this paragraph could also apply to such additional interest rate swap agreements. However, the District does not anticipate that any such event would

have a material adverse effect on the District’s ability to pay the principal of and interest on the Series 2024 Bonds.

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

- Santiago County Water District Consolidation. The District and Santiago County Water District (“**SCWD**”) consolidated effective July 1, 2006. As successor to SCWD, the District is obligated to satisfy the following obligations: (i) a fiscal services agreement with the State of California Department of Water Resources, with a loan balance of approximately \$197,000 as of December 31, 2023 and final payment due in 2025; and (ii) a promissory note payable to Foothill/Eastern Transportation Corridor Agency with a remaining balance of approximately \$396,400 as of December 31, 2023 and a final payment date in 2045.

Variable Rate Debt Management

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

Current Investments

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

TABLE 5
IRVINE RANCH WATER DISTRICT
Summary of Investments⁽¹⁾

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

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

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

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

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

Historic Net Real Estate Income

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

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

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

⁽¹⁾ Fiscal Year 2019 includes expenses associated with development agreement obligations to the City of Lake Forest related to Lake Forest Serrano Summit property, which resulted in a reduction in net real estate income. See the caption “—Current Investments.”

⁽²⁾ Fiscal Year 2020 reflects receipt of payment of interest on the Lake Forest Serrano Summit note. See the caption “—Current Investments.”

Source: The District.

Projected Net Real Estate Income

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

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

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

⁽¹⁾ Based on existing and expected leases. See the caption “—Current Investments.”

Source: The District.

1% Property Tax Revenues

Pursuant to the Act, the Board of Supervisors of the County is required to levy a “general assessment” on assessable property within the boundaries of the District that is sufficient to raise the amounts determined each year by the District’s Board of Directors to be necessary for the authorized purposes of the District. These provisions, however, have largely been superseded by the passage by the California electorate in June of 1978 of Article XIII A of the California Constitution (commonly known as “Proposition 13”), and by the legislation subsequently enacted by the California Legislature to implement Article XIII A. As a result of Article XIII A and its implementing legislation, the District receives as proceeds of the “general assessment” a share of the one percent *ad valorem* property tax collected by the County from assessable property within the boundaries of the District (the “**1% Property Tax Revenues**”).

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

A portion of the District’s 1% Property Tax Revenues was previously subject to borrowing by the State under Proposition 1A. Despite the passage of Proposition 22, there can be no assurance that the 1% Property Tax Revenues which the District currently expects to receive will not be temporarily shifted from the District in future fiscal years or reduced pursuant to State legislation enacted in the future. If the property tax formula is permanently changed in the future, it could have a material adverse effect on the receipt of 1% Property Tax Revenues by the District. See the Official Statement under the caption “SECURITY FOR THE SERIES 2024 BONDS—Pledge of Assessment Proceeds and Revenues” for a discussion of the extent to which 1% Property Tax Revenues are available to pay principal of and interest on the Series 2024 Bonds.

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

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

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

Source: The District.

Alternative Method of Tax Apportionment – “Teeter Plan”

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

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

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

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

Governmental Regulations

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

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

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

Climate Change

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

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

In 2021, *The Climate Registry*, which oversees North America’s largest voluntary greenhouse gas registry, empowering organizations and public agencies to act on climate change by reducing their carbon emissions, honored the District with gold-level status for demonstrating exceptional leadership in meeting rigorous voluntary greenhouse gas reporting criteria. The District recently completed its 2022 GHG inventory, which is undergoing third party verification. Upon verification, the inventory will be submitted to *The Climate Registry*.

COVID-19 Outbreak

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

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

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

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

WATER SUPPLY

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

The District operates a number of wells and reservoirs that produce or store local water for both potable and non-potable uses. Surface storage includes Irvine Lake, a 25,000 acre feet reservoir that is jointly owned by the District and Serrano Water District. Irvine Lake receives native water from the Santiago Creek watershed and is also used to store imported untreated water. The District’s share of such water is treated at the Baker Water Treatment Plant (the “**Baker WTP**”) to help meet potable water demands for Baker WTP partner districts. Such water is also used for agricultural and other irrigation purposes and supplements the recycled water system during peak demand periods. See the caption “THE WATER SYSTEM—General” for a discussion of the use of Irvine Lake water at the Baker WTP under certain circumstances. Irvine Lake is impounded by the Santiago Creek Dam, the outlet tower and spillway of which (but not the dam itself) have reached the end of their useful lives. The District and Serrano Water District are currently undertaking an approximately \$284,000,000 project to replace the outlet tower and spillway. See the captions “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Future Indebtedness” and “FUTURE CAPITAL IMPROVEMENTS.”

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

Imported Water

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

MWD faces various challenges in the continued supply of imported water to MWDOC. A description of these challenges as well as a variety of other operating information with respect to MWD is included in certain disclosure documents prepared by MWD. MWD periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. MWD has also entered into certain continuing disclosure agreements pursuant to which MWD is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“**Rule 15c2-12**”). Such official statements, other disclosure documents, annual reports and notices (collectively, the “**MWD Information**”) are filed with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“**EMMA**”) at <http://emma.msrb.org>. The MWD Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. MWD HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2024 BONDS TO PROVIDE MWD INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2024 BONDS.

MWD HAS NOT REVIEWED THIS OFFICIAL STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO MWD. MWD IS NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE DISTRICT OR THE OWNERS OF THE SERIES 2024 BONDS UNDER RULE 15c2-12.

Groundwater

General. One of the goals of the District’s Water Resources Master Plan is to identify a reliable water supply mix, which includes developing sufficient groundwater production capacity to pump up to the District’s basin production percentage (the “**BPP**”) set by the Orange County Water District (“**OCWD**”), the agency responsible for managing the Orange County groundwater basin, to produce other local groundwater and to have sufficient capacity to meet demands during supply interruptions. District groundwater pumping is affected by policies of OCWD, including the setting of: (i) replenishment assessments; (ii) a BPP; and (iii) basin equity assessments, each of which is described below.

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

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

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

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

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

The District has filed a court challenge to OCWD’s methodology and policies regarding BEA calculations that exclude the District’s use of recycled water. See the caption “—Complaint against OCWD.” Through this litigation, the District is seeking a refund of all or a portion of BEA payments for Fiscal Years 2016, 2017, 2019, 2020, 2021, 2022 and 2023. In addition, the District seeks a judicial declaration in the litigation that, because of OCWD’s failure to consider recycled water a supplemental source of water, OCWD has miscalculated the amount of BEA credits remaining under various contracts with OCWD concerning groundwater quality projects being undertaken by the District.

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

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

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

As discussed above, effective October 2, 2013, the District entered into an agreement with OCWD pursuant to which approximately 6,482 acres of the District’s territory was annexed to OCWD upon the Orange County Local Agency Formation Commission’s approval in July 2014. Under the annexation agreement, the District agreed to a specified termination date for its BEA exemption on the DATS, represented that the DATS wells would be used to supply the groundwater used in the annexed territory and agreed that for a period of ten

years (i.e., through 2023) from the effective date of the annexation agreement, the District will be deemed subject to a BPP equal to the lesser of OCWD's actual BPP or 70%.

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

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

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

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

The Seventh Amended Complaint (incorporating claims that were originally raised in the Sixth Amended Complaint) challenged OCWD's practice of prohibiting the “unlawful exportation” of groundwater to the portions of the District's service area that are outside of OCWD's service area, as well as OCWD's April 17, 2019 adoption of a resolution numbered “D,” which set a production limitation and surcharge on groundwater pumping from the Orange County groundwater basin (the “**Production Limitation and Surcharge**”). The District contested the validity of the Production Limitation and Surcharge on various grounds, including that: (i)

OCWD's statutorily-required findings made for the Production Limitation and Surcharge are not supported by substantial evidence; (ii) the Production Limitation and Surcharge is being utilized as an improper method of restricting the unlawful exportation of water, which is not authorized under the OCWD Act; and (iii) OCWD's proposed surcharge of \$2,000 per acre feet above the production limitation bears no reasonable relationship, and is therefore disproportionate, to either the benefit derived by the groundwater producer from OCWD's action or the burden that the producer's activities place on the Orange County groundwater basin.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Source: The District.

OCWD. OCWD faces various challenges in managing the Orange County groundwater basin. A description of these challenges, as well as a variety of other operating information with respect to OCWD, is included in certain disclosure documents prepared by OCWD. OCWD periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. OCWD has also entered into certain continuing disclosure agreements pursuant to which OCWD is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12. Such official statements, other disclosure documents, annual reports and notices (collectively, the “**OCWD Information**”) are filed with EMMA at <http://emma.msrb.org>. The OCWD Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. OCWD HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2024 BONDS TO PROVIDE OCWD INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2024 BONDS.

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

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

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

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

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

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

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

In 2021, the District along with the other agencies overseeing the other MAs within the groundwater basin, prepared information required for the 5-year Alternative Plan Update as required under SGMA. The 5-year update of the Basin 8-1 Alternative Plan was approved by the OCWD Board of Directors in December

2021, and the update was submitted to DWR in late December 2021. The District also prepares and submits an Annual Report to DWR for the South East MA.

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

The District does not currently expect its groundwater extraction rights or costs in the Orange County groundwater basin to change significantly as a result of the enactment of SGMA, nor does the District expect the enactment of SGMA to have a material adverse effect on the District’s ability to pay principal of and interest on the Series 2024 Bonds from Net Revenues. The District notes that *ad valorem* property assessments constitute an additional source of moneys available to pay the interest on and principal of the Series 2024 Bonds. See the Official Statement under the caption “SECURITY FOR THE SERIES 2024 BONDS.”

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

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

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

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

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

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

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

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

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

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

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

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

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

Water Use Efficiency

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

On October 19, 2021, the California Governor declared a statewide drought state of emergency and requested that all water users voluntarily reduce water use by 15%. The declaration encouraged water agencies to draw upon supplies other than groundwater and to implement their water shortage contingency plans at a level that was appropriate to local conditions. The State experienced significant precipitation in the winter and early spring of 2023 and, on March 24, 2023, the statewide drought state of emergency was terminated. While there can be no assurance that subsequent declarations will not impose mandatory water use restrictions should dry conditions persist in 2023 or future years, the State’s approach is consistent with the “Conservation as a Way of Life” legislation that is described in the preceding paragraph. The approach relies on local planning and recognizes that the impacts of the drought and levels of projected water shortages vary throughout the State and among water suppliers.

In August 2021, the federal government declared a Tier 1 water shortage at Lake Mead, which is a major storage reservoir on the Colorado River. As discussed under the caption “—Imported Water,” Colorado River supplies are among the water sources for MWD, which provides water to the District’s major imported supplier, MWDOC. The water shortage declaration triggered mandatory cuts in water allocations for water users in Arizona and Nevada, although not for MWD or other users in California. Notwithstanding the foregoing, in December 2021, water users in California (including MWD), Arizona and Nevada agreed to voluntary cuts of 500,000 acre feet of water from the Colorado River in both 2022 and 2023, and MWD agreed to pay up to \$20 million to agricultural rightsholders that leave their land fallow. See the caption “—Water Supply Reliability—Other Water Supply Reliability Programs—Palo Verde Irrigation District Land Purchases” for a discussion of District land holdings in areas that are expected to benefit from such payments by MWD.

In August 2022, the federal government declared the Colorado River’s first ever Tier 2 water shortage. Additional cuts were imposed on Arizona, Nevada and Mexico, and all seven Colorado River states must develop a joint plan to reduce water use by a further 15%-30%. In April 2023, the United States Department of the Interior released a draft environmental impact statement (the “EIS”) which proposes three alternatives for reducing Colorado River allocations in the American Southwest, including one alternative that could reduce California’s allocation by up to one-fourth. In August 2023, the federal government announced that, as a result of above average precipitation, the Colorado River would operate at a Tier 1 shortage in 2024. In October 2023, the federal government released a revised supplemental EIS as part of a collaborative effort to develop short-term guidelines for Colorado River operations through 2026 that would commit to conserving at least 3 million acre feet of water in the river. The federal government expects to release a final EIS in late 2025 that will analyze post-2026 operational guidelines and strategies. There can be no assurance as to the content or timing of the final version of the April 2023 EIS, nor can there be any assurance that subsequent declarations with respect to the Colorado River will not require mandatory water cuts to MWD should dry conditions persist in 2024 or future years.

The District has a long history of implementing cost-effective water efficiency programs and believes that it is well prepared to meet future water efficiency objectives. The District’s customers have one of the lowest residential GPCD water usage rates in the State, and a portion of the Net Revenues consist of fixed charges that are payable regardless of the volume of water used. See the caption “THE WATER SYSTEM—Water System Rates and Charges.” For these reasons, the District does not believe that the above-described declarations or compliance with the above-described water efficiency objectives will affect the District’s ability to pay principal of and interest on the Series 2024 Bonds from Net Revenues. The District notes that the Series 2024 Bonds are also secured by a pledge of Assessment Proceeds. See the Official Statement under the caption “SECURITY FOR THE SERIES 2024 BONDS.”

District Response to Shortage. Under the District’s water shortage contingency plan (the “WSCP”), the District responds to a water shortage in stages based upon six levels of supply cutbacks: Level One (supply reductions of up to 10%), Level Two (supply reductions of up to 20%), Level Three (supply reductions of up to 30%), Level Four (supply reductions of up to 40%), Level Five (supply reductions of up to 50%) and Level Six (supply reductions exceeding 50%). Each shortage level triggers strategic responses that are intended to reduce water use and/or augment supplies during a declared water shortage. At each level of shortage, the WSCP includes a list of voluntary measures, non-rate response measures and potential cost-of-service based rate response strategies. The District can also use its banked groundwater to augment supplies during times of shortage. See the caption “—Water Supply Reliability—Water Banking.”

The District’s water budget-based rate structure is a cost-of-service based rate structure that provides revenue stability in both non-shortage and water shortage periods. Additionally, it allocates water (and the costs associated with its use) based on the monthly water budget assigned to each customer providing the lowest cost of water for efficient use and higher cost water for uses beyond efficient use. The monthly water budget assigned to each customer provides them with a sufficient amount of water within their budget to cover reasonable and efficient water use. See the caption “THE WATER SYSTEM—Water System Rates and Charges.”

If the District experiences a water shortage, it may have lesser or higher water costs than during other periods. The WSCP outlines the strategies that the District can use to reduce water demand to respond to such conditions. Adjustments to customer water budgets are a key response measure in the WSCP that are implemented by equitably reducing water budget allocations based on what is reasonable and efficient water use under the water shortage circumstances applicable to each level. If this strategy or tool is used, any changes in rates would be set using cost-of-service principles and would not exceed the District’s cost of providing water service to each customer.

On June 26, 2023, the Board adopted updated water shortage rates, which constitute another available tool to reduce demand by increasing water rates in the event of a shortage. Actual implementation of water shortage rates from time to time will be at the discretion of the District. Notwithstanding the State and federal orders which are described under the subcaption “—State and Federal Orders,” the District is not currently experiencing a water shortage and is not projecting a future shortage even if dry hydrological conditions continue for the next several years.

While continued implementation of the WSCP may result in slightly lower water sales revenues, it is also likely to result in lower operating costs, in particular water purchase costs and energy costs for water deliveries. As discussed under the caption “THE WATER SYSTEM—Water System Rates and Charges,” the District’s rate structure consists of variable and fixed rate components. Decreased water consumption is largely offset by a decrease in related variable costs, while fixed water charges largely cover the District’s fixed operating and maintenance costs. The projected operating results set forth under the caption “WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results” reflect the implementation of Level One of the WSCP in the current and next four Fiscal Years but do not reflect the implementation of water shortage rates as described above.

If a statewide water shortage should persist, legal issues exist as to whether different California Water Code provisions should be invoked to require reasonable regulations for the allocation of water in times of shortage. Any curtailment pursuant to State orders that is accompanied by an increase in MWD water charges to its member agencies could necessitate an increase in the District's water rates to District customers. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218" for a discussion of certain restrictions on the District's ability to raise water rates.

Water Supply Reliability

Water Banking. In addition to developing its local groundwater and recycled water systems, the District has further diversified its water supply reliability by developing water banking facilities in Kern County, California. These projects are known as the Strand Ranch Integrated Banking Project and the Stockdale Integrated Banking Project (collectively, the "**Water Bank**"). The District's Water Bank is situated on groundwater recharge lands that overlie the regional Kern County groundwater basin. The purpose of the Water Bank is to improve the District's water supply reliability by capturing and storing low cost water available during wet hydrologic periods for use during dry periods, with the target of providing enough water to meet approximately 15% of customers' needs for three years. The Water Bank will enhance the District's ability to respond to drought conditions and potential water supply interruptions and enable it to reduce the cost of water delivered under such conditions.

The District has entered into agreements for a 30-year water banking partnership with the Rosedale-Rio Bravo Water Storage District ("**Rosedale**") in Kern County. These agreements provide for Rosedale to operate the Water Bank on behalf of the District and permit the District: (i) to store up to 126,000 acre feet of water in the aquifer; (ii) to recharge up to 44,600 acre feet of water per year in the aquifer; and (iii) to recover up to 28,750 acre feet of water per year from the aquifer.

The District has constructed 740 acres of recharge ponds and other facilities at the Water Bank that are necessary to divert water from an adjacent canal and into the ponds. Seven groundwater wells that provide the ability to recover water have been constructed on the Strand Ranch property and three additional recovery wells have been constructed and equipped on the Stockdale West property. The District, in partnership with Rosedale and other agencies, has also constructed six additional wells that will increase the ability to recover water from the Water Bank during peak summer demand periods. These wells were equipped and completed in 2018.

Groundwater extractions from certain Water Bank wells have been found to contain a synthetic chemical known as 1,2,3-trichloropropane ("**TCP**"), which was formerly used in the manufacture of soil fumigants and other industrial products, in concentrations that exceed the Maximum Contaminant Level established by the SWRCB. As a result, such groundwater is required to be blended with other sources or treated to remove TCP before it can be delivered via State or federal water conveyance infrastructure or, ultimately, served to retail users.

In January 2022, the District and Rosedale filed a complaint in the Superior Court of California, County of Kern, against several manufacturers of TCP. The complaint asserts strict liability, nuisance, trespass and negligence claims in connection with the infiltration of TCP into the Water Bank and seeks to recover costs associated with the construction of treatment facilities to remediate the contaminated water. There can be no assurance as to the outcome of the District's claims and the projected operating results which are set forth herein do not assume the award of any damages to the District or Rosedale in connection with the complaint.

The District has secured water from a number of sources for recharge at the Water Bank. These sources are available as described below.

- Pursuant to the District's agreement with Rosedale, Rosedale has first priority rights to use District facilities to divert and recharge a portion of its entitlement to floodwater flows on the Kern River to District-owned storage ponds for recovery in dry years. The District is entitled, at no cost, to 20% and

50% of all Kern River floodwaters recharged on the Strand Ranch and Stockdale West recharge ponds, respectively.

- The District has also secured access to State Water Project water which can be stored in the Water Bank. Such water is available as a result of the District’s acquisition of approximately 883 acres located within the Dudley Ridge Water District (“**Dudley Ridge**”), including the rights to use up to 1,749 acre feet per year of Table A State Water Project water allocated to Dudley Ridge. Under an existing agreement, Dudley Ridge can store its Table A water in the Water Bank, with half of the water being available for future use in the District’s service area. The acquisition also included certain participation rights in the Kern Water Bank that allow the District to store approximately 9,495 acre feet of water.
- In 2011, the District entered into a long-term exchange program (the “**Exchange Program**”) with Buena Vista Water Storage District (“**BVWSD**”) that allows BVWSD to store water in the Water Bank in exchange for allocating 50% of the stored water to the District. BVWSD is responsible for all costs of delivering water to the Water Bank and the District is responsible for all costs of returning BVWSD its share of the water. The District is entitled to keep an additional 10% of the stored water each calendar year after the fourth calendar year that BVWSD does not call on the return of its share of the water. The District is entitled to 100% of the water if BVWSD does not call for the return of its share of the water by the end of the ninth year.
- In recent years, the District also entered into separate Pilot Exchange Agreements with the Central Coast Water Authority and the Antelope Valley-East Kern Water Agency that provided for such agencies to store portions of their 2012 allocation of State Water Project water at the Water Bank. In 2017, 2019 and 2023, the District executed short-term agreements with the Central Coast Water Authority which provided for the delivery and storage of 3,772 acre feet on an unbalanced exchange basis under which the District is allocated 50% of such stored water. In 2019, the District and Antelope Valley-East Kern Water Agency entered into a long-term water exchange program for the delivery and storage of 20,000 acre feet on an unbalanced exchange basis under which the District is allocated 50% of such stored water. An estimated 7,000 acre feet was recharged in 2023 under this program.
- The District recently agreed to terms with a private landowner, Silvertip LLC, with respect to a short-term exchange program for delivery and storage of up to 8,000 acre feet of water on an unbalanced exchange basis under which the District is allocated 50% of such stored water.

The District continually explores other short- and long-term partnerships with other agencies and private landowners to facilitate transactions similar to those which are described above.

The District has entered into a Coordinated Operating, Water Storage, Exchange and Delivery Agreement with MWD that allows the District to have State Water Project water which has been recovered from the Water Bank delivered to the District’s service area. In 2014, the District entered into an additional agreement with MWD that allowed MWD to receive 4,000 acre feet of the District’s non-State Water Project water recovered from the Water Bank in exchange for a future return to the Water Bank. Under such additional agreement with MWD, the District recovered and delivered approximately 1,000 acre feet from the Water Bank for use in the District’s service area in 2015. In addition, in 2022, the District delivered 3,927 acre feet of water to MWD from the Water Bank in exchange for a credit of 7,927 acre feet of water in MWD’s southern California storage facilities, which includes a credit for the 4,000 acre feet delivered in 2014.

Since 2010, the District has delivered a total of approximately 115,900 acre feet of water to the Water Bank through the water supply partnerships that are described above. The District currently holds approximately 43,000 acre feet of water in storage (after applicable losses) for its future use during droughts and major supply interruptions.

A summary of water held in storage pursuant to the District’s water banking program as of December 31, 2023 (after water losses) is set forth below.

TABLE 10
IRVINE RANCH WATER DISTRICT
Summary of Water Banking Programs’ Storage After Losses
As of December 31, 2023 (Acre Feet)

<i>Facility</i>	<i>Total Capacity</i>	<i>Total Water in Storage</i>	<i>District Share of Total Water in Storage</i>
Strand Ranch Integrated Banking ⁽¹⁾	50,000	42,207	33,101
Stockdale West ⁽¹⁾	26,000	11,408	6,383
Kern Water Bank ⁽²⁾	<u>9,495</u>	<u>3,697</u>	<u>3,697</u>
Total	85,495	57,312	43,181

⁽¹⁾ The District has executed exchanges with MWD that have diversified the ability to call on the District’s share of the banked water from the Water Bank and MWD supplies. The above numbers take into consideration Water Bank losses as well as small purchases of water made by the District when land was taken out of agricultural production. Extractions from Strand Ranch are currently limited to approximately 17,500 acre feet per year. The completion of the Stockdale West property recovery facilities enables the District to recover approximately 11,250 acre feet per year of additional water from the Water Bank.

⁽²⁾ The District’s share of total water stored in the Kern Water Bank is to be used on the District’s Dudley Ridge property.
Source: The District.

Other Water Supply Reliability Programs.

Palo Verde Irrigation District Land Purchases. As of December 31, 2023, the District has purchased a total of approximately 3,100 acres of irrigated agricultural land (the “**PVID Properties**”) in Riverside County, California. The PVID Properties are located within the water service area of Palo Verde Irrigation District (“**PVID**”), which has first priority rights on the Colorado River. Of the total acres purchased, approximately 2,835 acres of the land are subject to and enrolled in an MWD/PVID fallowing program under which MWD makes payments to landowners in exchange for letting land lie fallow. See the caption “—Water Use Efficiency—State and Federal Orders” for a discussion of MWD’s agreement to pay up to \$20 million to agricultural rightsholders (such as the District) in 2022 and 2023 under such a fallowing program. Water that is conserved through fallowing is available for use within MWD’s service area (which includes the District’s service area). The non-fallowed land is currently being farmed either through leases with tenant farmers or through agricultural management agreements with contract farmers. The District plans to work with MWD and MWDOC in the future to develop mutually beneficial arrangements through which the District would receive increased water supply reliability during periods of drought or supply interruptions in consideration for the water conserved on the PVID Properties.

Due to the preliminary nature of its discussions with MWD and MWDOC, the District can make no assurance as to the amount of water, if any, it would receive from MWD through conservation of water on the PVID Properties. Should the expected water supply reliability benefits of the land not be realized, the District’s investment in the PVID Properties could be recovered in whole or in part through the sale of the land.

Kern Fan Project. The Kern Fan Groundwater Storage Project (the “**Kern Fan Project**”) will develop a regional water bank in the Kern Fan area of Kern County to capture, recharge and store Article 21 water from the State Water Project and other water supplies during wet hydrologic periods. The project is a joint venture between the District and Rosedale. In April 2020, Rosedale and the District executed a joint exercise of powers agreement (the “**Agreement**”) creating the Groundwater Banking Joint Powers Authority (the “**Authority**”) to plan, design, construct, operate and implement the Kern Fan Project. The Agreement took effect July 1, 2020. The stored water would be extracted when needed to provide ecosystem, emergency supply and water supply benefits. The District’s share of the Kern Fan Project would be used in conjunction with the

Water Bank (as discussed under the subcaption “—Water Banking” above) to meet the District’s contingency storage needs at build-out. The District’s goal for contingency storage is to secure supplies that are adequate to backfill the loss of imported supplies for three consecutive years. The District believes that, upon completion, the Kern Fan Project, together with the Water Bank, will allow the District to meet this goal. In 2022, as part of the Kern Fan Project, the Authority purchased two properties totaling 348 acres at a cost of \$5,000,000, half of which was contributed by the District.

In August 2017, the District and Rosedale jointly submitted a grant application to the California Water Commission (the “CWC”) for the proposed Kern Fan Project. The application sought Proposition 1 funds available from the CWC through the Water Storage Investment Program (the “WSIP”). In July 2018, the CWC conditionally awarded \$67.5 million to the Kern Fan Project. Additional WSIP funding became available in late 2020, which resulted in the CWC increasing the conditional funding award for the Kern Fan Project in January 2021 to \$87.8 million. In March 2022, the CWC added a 1.5% inflation adjustment to the funding award, increasing it to \$89.1 million.

To date, the Authority has certified a final environmental impact report for the Kern Fan Project, completed state and federal feasibility studies and initiated the project design. In October 2023, the Authority executed an agreement with the United States Bureau of Reclamation under which the District will receive a grant in the amount of \$4,667,929 to fund Phase 1 of the Kern Fan Project. The Authority expects to begin construction of Phase 1 in January 2024.

Sites Reservoir Project. The Sites Reservoir is a proposed reservoir of approximately 1.41 million acre-feet located in Colusa County. In connection with the Sites Reservoir, a joint powers agency, the Sites Project Authority (the “Sites Authority”) was formed by several local water agencies and counties to pursue the development and construction of the project. The District is a member of the Sites Authority’s Reservoir Committee. The Sites Reservoir project is expected to be funded with a combination of direct Federal Funding through Reclamation Water Infrastructure Improvements for the Nation (“WINN”) Act, State Funding through Water Storage Investment Program (“WSIP”), cash calls from participants in the Sites Reservoir project under the Sites Project Agreement (as defined below), direct borrowings by the Sites Authority (including loans through the WIFIA loan program and revenue bonds), and contributions from certain Sites Reservoir project participants that elect not to participate in the Sites Authority’s WIFIA loans or other borrowings. The Sites Authority submitted an application to the USEPA in March 2023 for WIFIA loan funding in an amount up to 49% of the eligible costs (including certain contingencies for inflation and market volatility) of the Sites Project. The 2023 Sites Plan of Finance update includes WIFIA proceeds up to 49% of the eligible Project costs. The current cost estimate of the Sites Reservoir, which was approved in June 2021 was \$3.9 billion (in 2021 dollars). IRWD’s participation will be on a pay-go basis and IRWD will not take part in Sites Project financing.

In 2019, in connection with the planning phase of the Sites Reservoir, the District, along with certain local water agencies and counties located in the State (collectively, the “Sites Project Agreement Members”), entered into a project agreement with the Sites Authority (the “Sites Project Agreement”). Under the Sites Project Agreement, each Sites Project Agreement Member agreed, among other things, to pay a share of the costs for the activities undertaken pursuant to the Sites Project Agreement in proportions corresponding to specific participation percentages applied to each Sites Project Agreement Member. Such participation percentages can be modified if a new Sites Project Agreement Member is added, or a current Sites Project Agreement Member withdraws. The District’s current participation percentage is 0.4% based upon the District’s current storage allocation.

The District has provided the Sites Reservoir project with \$568,500 in funding since 2020 under the Sites Project Agreement. Under the Sites Project Agreement, the District will pay an additional \$40,000 through December 31, 2024 for the funding phase of the project. The District Board may decide whether to participate in the Sites Reservoir in 2024. If the District decides to participate in the Sites Reservoir project, the District’s share of project costs is expected to be \$15.6 million, subject to changes in the final cost of the Sites Reservoir project. To date, payments on commitments in connection with the Sites Reservoir have been paid by the District

from reserves. The District currently expects future payments relating to the Sites Reservoir to be paid from Revenues or District reserves.

Design and construction of the Sites Reservoir is anticipated to take 7 years, if commenced in 2024 as currently projected, and would not be completed until at least 2032. As the project is still in the planning phase, there can be no assurance that projected costs of the Sites Reservoir will not increase because of revisions to the project, increases in construction or other costs related thereto or otherwise, including the final allocation of costs among the parties. Any changes could be material. In addition, there can be no assurance that the Sites Reservoir, if undertaken, will be completed within the timeframe currently projected. Any such delay in completion could be material. Any costs incurred by the District with respect to the Sites Reservoir are expected to be initially paid from the Revenues during the planning phase of the Sites Reservoir. The District also cannot predict at this time what additional financial commitments to the Sites Reservoir will be made, or whether the District will participate in the remaining planning phase or the construction phase of the project.

The District is currently pursuing additional funding opportunities. See the caption “FUTURE CAPITAL IMPROVEMENTS—Water Supply Reliability.”

Recycled Water

During Fiscal Year 2023, the District produced 23,996 acre feet of recycled water and supplied an additional 2,545 acre feet of non-potable water to District customers via the recycled water system. The District processes and treats secondary effluent from its customers to produce recycled water for sale to customers for non-potable utilization. Recycled water is currently sold to approximately 6,350 customers within the District. As of December 31, 2023, the District had approximately 580 miles of recycled water mains and recycled water storage capacity of approximately 4,500 acre feet. Revenues from the sale of recycled water are accounted for as part of the District’s sewer system.

Historic and Projected Water Supply

Set forth below is a summary of the District’s sources of total water supply in acre feet per year for the last five Fiscal Years.

TABLE 11
IRVINE RANCH WATER DISTRICT
Historic Water Supply In Acre Feet Per Year⁽¹⁾

<i>Fiscal Year</i>	<i>Groundwater⁽²⁾</i>	<i>Runoff Capture (Irvine Lake)</i>	<i>Imported Water</i>	<i>Recycled Water</i>	<i>Total</i>
2019	47,258	4,151	13,937	22,381	87,727
2020	47,810	6,524	13,002	24,627	91,963
2021	47,170	4,508	17,132	26,413	95,223
2022	44,525	75 ⁽³⁾	24,654	26,444	95,698
2023 ⁽⁴⁾	43,490	1,044	18,258	23,996	86,788

⁽¹⁾ Differences between the amounts that are shown in the table and the water sales figures that are set forth under the caption “THE WATER SYSTEM—Historic Water Deliveries/Sales” reflect water losses and the timing of billing.

⁽²⁾ Excludes water pumped from the SGU, which is disposed of via an existing ocean outfall following treatment.

⁽³⁾ Decrease from prior Fiscal Years reflects low precipitation levels in Fiscal Year 2022.

⁽⁴⁾ Decrease from prior Fiscal Years reflects reduced sales as a result of increased conservation and high precipitation levels.

Source: The District.

Set forth below is a summary of the District’s projection of total water production to meet expected water demand (as discussed under the caption “THE WATER SYSTEM—Projected Water Deliveries”) for the current and next four Fiscal Years. The below table reflects projected water production from groundwater

extractions, water purchases and recycled water production and does *not* reflect all available water supplies of the District.

TABLE 12
IRVINE RANCH WATER DISTRICT
Projected Water Supply In Acre Feet Per Year

<i>Fiscal Year</i>	<i>Groundwater⁽¹⁾</i>	<i>Runoff Capture (Irvine Lake)</i>	<i>Imported Water</i>	<i>Recycled Water⁽²⁾</i>	<i>Total</i>	<i>Percentage Change</i>
2024	48,065	3,000	16,417	25,640	93,122	7.30%
2025	50,165	3,000	15,362	25,640	94,167	1.12
2026	50,667	3,000	15,516	25,896	95,079	0.97
2027	51,174	3,000	15,671	26,155	96,000	0.97
2028	51,686	3,000	15,828	26,417	96,931	0.97

⁽¹⁾ Excludes water pumped from the SGU, which is disposed of via an existing ocean outfall following treatment.

⁽²⁾ Recycled water production projected to increase approximately 1% per annum beginning in Fiscal Year 2024 due to the elimination of the 70% cap on the BPP for the District. See the caption “—Groundwater—General.”

Source: The District.

Set forth below is a comparison of the District’s sources of supply for Fiscal Year 2023 as compared to other neighboring agencies supplying water.

TABLE 13
IRVINE RANCH WATER DISTRICT
Water Supply Comparison by Source

	<i>Imported Water</i>	<i>Groundwater</i>	<i>Runoff Capture (Irvine Lake)</i>	<i>Recycled Water</i>
Irvine Ranch Water District⁽¹⁾	21%	50%	1%	28%
City of Anaheim	33	66	-	1
South Coast Water District ⁽²⁾	73	13	-	14
Moulton Niguel Water District ⁽²⁾	75	-	-	25
Mesa Water District	-	94	-	_6

⁽¹⁾ Approximately 20% of the District’s water demand is from areas outside of OCWD’s jurisdictional boundaries.

⁽²⁾ This agency is not located within OCWD’s jurisdictional boundaries.

Source: The District.

THE WATER SYSTEM

General

Through the issuance of general obligation bonds and other indebtedness, the District has constructed, purchased or acquired capacity in, or connections to, various transmission, pumping, storage and distribution facilities to convey water into the District, including several major facilities built in cooperation with other water districts and cities.

The development of water supplies and the construction and acquisition of facilities are being carried out under a master plan formulated by the District in 1972 and most recently updated in 2009. Existing uses and planned development within the District will necessitate a projected combined total annual water supply of approximately 110,000 acre feet by 2035.

The District anticipates meeting all of its water supply needs using the above-mentioned water importation and storage facilities, groundwater production facilities and recycled water facilities. The combination of the District's facilities and sources of supply is expected to provide the District with a reliable water supply sufficient to permit the ultimate development as presently planned. Reliability of water supply is further enhanced by the District's local storage facilities, which currently provide more than a seven-day supply.

As of June 30, 2023, the District had approximately 2,597 miles of water mains in its potable and recycled water systems and storage capacity of over 24,000 acre feet, including the District's share of Irvine Lake, a 25,000 acre feet untreated water reservoir, and the District's Sand Canyon, Rattlesnake, Syphon and San Joaquin Reservoirs, which are recycled water reservoirs with capacities of 800 acre feet, 1,100 acre feet, 450 acre feet and 2,900 acre feet respectively. See the caption "WATER SUPPLY."

In 2013, the District completed a study of the feasibility of increasing storage capacity in Syphon Reservoir from 450 acre feet up to approximately 5,000 acre feet. Additional storage capacity, if constructed, would allow the District to recycle 100% of the sewage flows tributary to the District's Michelson Water Reclamation Plant (the "MWRP") and reduce the District's need to supplement the recycled water system with imported water in dry years. The District is currently performing geotechnical evaluations of the site and evaluating funding alternatives for the Syphon Reservoir expansion. The final environmental impact report for the expansion was adopted by the Board of Directors on July 26, 2021. Design is expected to be completed by the end of 2024 and construction is anticipated to be start in early 2025. See the caption "FUTURE CAPITAL IMPROVEMENTS—Water Supply Reliability."

See the caption "WATER SUPPLY—Water Supply Reliability—Water Banking" for information with respect to the District's water banking programs, which constitute additional sources of water that are not reflected in the discussion of the District's storage facilities above.

Currently, the District purchases treated water from MWD for delivery to residential and commercial customers, as well as small amounts of untreated water for delivery to non-domestic customers. Groundwater that is produced from District wells is generally of high quality and is subject to minimal treatment to meet drinking water standards.

The Baker WTP, a water treatment plant which commenced operations in January 2017, treats to drinking water standards approximately 28 million gallons per day ("mgd") of untreated imported water purchased from MWD. During emergencies and planned imported water outages, water from Irvine Lake is expected to be supplied to the Baker WTP for treatment to drinking water standards. The Baker WTP utilizes microfiltration and ultraviolet disinfection as the primary treatment processes. Although the plant is owned and operated by the District, approximately 76% of capacity in the Baker WTP is held by other participating water agencies located in southern Orange County. The facility provides an operational source of supply to the District and participating agencies and, in the event of a short-term water shortage emergency, provides regional water reliability to other neighboring water agencies. The project cost was approximately \$106 million, which was funded by the District and the other participating water agencies in proportion to their participation in the project. The District financed a portion of its 24% share of the costs from the proceeds of the Series 2016 Bonds that are described under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness."

Raw water, which is treated at the Baker WTP, is available at a lower rate than treated water.

Historic Water Connections

The following table shows the number of water connections in the District for the five most recent Fiscal Years.

TABLE 14
IRVINE RANCH WATER DISTRICT
Historic Water Connections⁽¹⁾

<i>Fiscal Year</i>	<i>Connections</i>	<i>Percentage Change</i>
2019	116,539	N/A%
2020	118,263	1.48
2021	120,437	1.84
2022	122,401	1.63
2023	123,737	1.09

⁽¹⁾ Excludes recycled water connections.
Source: The District.

Projected Water Connections

The following table shows the number of water connections projected by the District for the current and next four Fiscal Years.

TABLE 15
IRVINE RANCH WATER DISTRICT
Projected Water Connections⁽¹⁾

<i>Fiscal Year</i>	<i>Connections</i>	<i>Percentage Change</i>
2024	125,518	1.44%
2025	127,327	1.44
2026	129,162	1.44
2027	130,404	0.96
2028	131,658	0.96

⁽¹⁾ Excludes recycled water connections. Increases in connections reflect District estimates of increased development activity.
Source: The District.

Connection Fees

The District collects a water connection fee for each new connection to finance District facilities. Connection fees vary by Improvement District and range from \$1,292 to \$5,430 for each residential unit and \$8,635 to \$45,889 for each acre of commercial or industrial property. The connection fee is designed to recover the cost of each additional connection and allocate among all Improvement Districts the costs of master planned facilities such as water sources and production facilities, transmission mains, pumping stations, reservoirs and appurtenances and capacity necessary for each Improvement District.

Historic Water Deliveries/Sales

The following table presents a summary of historic water deliveries by the District in acre feet per year for the five most recent Fiscal Years. Historic water deliveries vary from historic water supply as a result of losses in the water system and the timing of billing. Revenues from the sale of recycled water are accounted for as part of the District’s sewer system.

**TABLE 16
IRVINE RANCH WATER DISTRICT
Historic Water Deliveries/Sales in Acre Feet Per Year⁽¹⁾**

<i>Fiscal Year</i>	<i>Potable and Non-Potable System</i>	<i>Recycled System⁽²⁾</i>	<i>Total</i>	<i>Percentage Change</i>
2019	51,651	27,689	79,340	N/A%
2020	51,761	31,119	82,880	4.46
2021	54,506	32,595	87,101	5.09
2022 ⁽³⁾	53,378	32,402	85,780	(1.52)
2023 ⁽⁴⁾	49,503	26,541	76,044	(11.35)

- ⁽¹⁾ Differences between the amounts that are shown in the table and the water production figures that are set forth under the caption “WATER SUPPLY—Historic and Projected Water Supply” reflect water losses and the timing of billing.
- ⁽²⁾ Recycled water sales in excess of the historic recycled water production amounts set forth in Table 11 under the caption “WATER SUPPLY—Historic and Projected Water Supply” reflect supplemental water supplied in excess of recycled water produced by the District.
- ⁽³⁾ Reduced deliveries reflect conservation by District customers. See the caption “WATER SUPPLY—Water Use Efficiency—District Response to Shortage.” Although recycled water use is not subject to water use restrictions, the decrease in recycled water sales in Fiscal Year 2022 was part of the broader conservation efforts of District customers in response to drought conditions.
- ⁽⁴⁾ Reduced deliveries reflect high levels of precipitation in Fiscal Year 2023.

Source: The District.

Projected Water Deliveries/Sales

The District estimates that water system deliveries for the current and next four Fiscal Years will be as set forth in the following table. The District currently projects that water deliveries will increase at a slower pace than the increase in connections after the current Fiscal Year, as set forth in the table under the caption “—Projected Water Connections,” as a result of increased conservation efforts and a return to long-term historical average hydrological conditions in the State. The District notes that recycled water use is not subject to the mandatory conservation orders imposed by the State in connection with the recent statewide drought. See the caption “WATER SUPPLY—Water Use Efficiency.” Revenues from the sale of recycled water are accounted for as part of the District’s sewer system.

TABLE 17
IRVINE RANCH WATER DISTRICT
Projected Water Deliveries/Sales in Acre Feet Per Year

<i>Fiscal Year</i>	<i>Potable and Non-Potable System</i>	<i>Recycled System⁽¹⁾</i>	<i>Total</i>	<i>Percentage Change</i>
2024	53,582	32,943	86,525	13.78%
2025	54,654	33,587	88,241	1.98
2026	54,763	32,709	87,472	(0.88)
2027	54,873	32,967	87,840	0.42
2028	54,983	33,225	88,208	0.42

⁽¹⁾ Projected recycled water sales in excess of the projected recycled water production amounts set forth in Table 12 under the caption "WATER SUPPLY—Historic and Projected Water Supply" reflect supplemental water projected to be supplied in excess of recycled water produced by the District.

Source: The District.

Historic Water Sales and Service Charge Revenues

The following table shows annual water sales and service charge revenues for the five most recent Fiscal Years. The following table does not include revenues from the sale of recycled water, which is accounted for as part of the District's sewer system.

TABLE 18
IRVINE RANCH WATER DISTRICT
Historic Water Sales and Service Charge Revenues
(In Thousands)

<i>Fiscal Year</i>	<i>Sales and Service Charge Revenues⁽¹⁾</i>	<i>Percentage Change</i>
2019	\$ 94,107	N/A%
2020 ⁽²⁾	90,213	(4.14)
2021	96,609	7.09
2022	103,286	6.91
2023	103,623	0.33

⁽¹⁾ Includes late payment charges and other penalty revenues.

⁽²⁾ Decrease in Fiscal Year 2020 reflects one-time cumulative adjustment in water banking storage revenue of \$5.4 million in Fiscal Year 2019 under which a valuation was assigned to water stored over multiple years.

Source: The District.

Projected Water Sales and Service Charge Revenues

The following table projects annual water sales and service charge revenues for the current and next four Fiscal Years.

TABLE 19
IRVINE RANCH WATER DISTRICT
Projected Water Sales and Service Charge Revenues
(In Thousands)

<i>Fiscal Year</i>	<i>Sales and Service Charge Revenues⁽¹⁾</i>	<i>Percentage Change</i>
2024	\$123,096	18.79%
2025	132,987	8.04
2026	139,636	5.00
2027	146,618	5.00
2028	153,949	5.00

⁽¹⁾ Reflects projected changes in water connections and deliveries described under the captions “—Projected Water Connections” and “—Projected Water Deliveries/Sales,” respectively, as well as projected increases in rates described under the caption “—Water System Rates and Charges.” Such rate increases are subject to the notice, hearing and protest provisions of Proposition 218 and there can be no assurance that the Board of Directors will adopt such rate increases as currently projected. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218.”

Source: The District.

Largest Water Customers

The following table sets forth the ten largest water customers of the District for Fiscal Year 2023, as determined by annual payments.

TABLE 20
IRVINE RANCH WATER DISTRICT
Ten Largest Water Customers
Fiscal Year 2023

<i>Customer</i>	<i>Fiscal Year 2023 Payment</i>	<i>Percentage of Total Water Sales Revenues</i>
1. The Irvine Company	\$ 9,463,558	9.12%
2. University of California, Irvine	1,675,663	1.62
3. Jazz Semiconductor	1,600,481	1.54
4. B Braun Medical, Inc.	1,457,806	1.41
5. Woodbridge Village Association	625,392	0.60
6. City of Irvine	517,196	0.50
7. Allergan Sales, LLC	359,714	0.35
8. Irvine Unified School District	332,588	0.32
9. City of Lake Forest	305,835	0.30
10. Maruchan, Inc.	<u>302,759</u>	<u>0.29</u>
TOTAL	\$16,640,992	16.05%

Source: The District.

These ten largest customers accounted for approximately 16.05% of water sales revenues in Fiscal Year 2023.

Water System Rates and Charges

Water system rates and charges (other than connection fees) are generally uniform throughout the District. Pumping surcharges apply in higher elevations. Effective July 1, 2023, the typical monthly service charge for residential water meters is \$11.85, rising to \$13.20 on July 1, 2024. The monthly service charges for commercial and industrial water meters range from \$11.85 to \$4,147.50, rising to \$13.20 to \$4,620.00 on July 1, 2024, based on meter size. Quantity charges are set according to a water conservation oriented allocation-based ascending block rate structure with rates ranging from \$1.75 to \$15.49 per 100 cubic feet (“ccf”), as shown in the below table.

For the ten Fiscal Years prior to Fiscal Year 2023, the District had increased its water system rates and charges by an average of approximately 5% each year for an average residential customer using approximately 12 ccf of water per month.

IRVINE RANCH WATER DISTRICT Residential Water Rates⁽¹⁾

<i>Tier</i>	<i>Allocation</i>	<i>Rate per ccf (effective July 1, 2023)</i>	<i>Rate per ccf (effective July 1, 2024)</i>
Low Volume	0-40%	\$ 1.75	\$ 1.99
Base ⁽²⁾	41-100	2.52	2.65
Inefficient	101-140	6.25	6.55
Wasteful	141+	15.49	16.46

⁽¹⁾ Rates are effective as of July 1, 2023.

⁽²⁾ The “base” rate reflects an average cost of water from all sources that are used by the District.

Source: The District.

See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218—Article XIID” for a discussion of a 2015 California Court of Appeal decision with respect to allocation-based rates similar to those of the District. Rates are based on a cost of service study.

The projected water system revenues set forth under the captions “—Projected Water Sales and Service Charge Revenues” and “WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage” reflect the projected water deliveries that are described under the caption “—Projected Water Deliveries/Sales,” water rate increases effective on July 1, 2023 and July 1, 2024 as well as projected water rate increases of 3.5% per annum thereafter which have not yet been adopted. Water rate increases in Fiscal Years 2026 through 2028 are subject to the notice, hearing and protest provisions of Proposition 218 described under the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218.” There can be no assurance that the Board of Directors will adopt such rate increases as currently projected.

Set forth below is a comparison of the District’s water bill for a typical residential customer as compared to neighboring communities.

TABLE 21
IRVINE RANCH WATER DISTRICT
Typical Residential Customer Water Bills

<i>Water Service Provider</i>	<i>Charge</i> ⁽¹⁾
Mesa Water District	\$104.19
City of Santa Ana	83.27
City of Newport Beach	75.18
City of Tustin	71.62
City of Anaheim	69.45
City of Orange	63.20
City of Huntington Beach	58.28
Irvine Ranch Water District ⁽²⁾	45.03

⁽¹⁾ Information is as of December 2023. Based on assumed usage of 15 ccf per month.

⁽²⁾ For the District, the first 6 ccf is billed at the low volume rate of \$1.75 and next 9 ccf is billed at \$2.52. Excludes *ad valorem* assessments levied by the District.

Source: The District.

THE SEWER SYSTEM

General

The District, following voter approval in 1965, is authorized by law to acquire, construct, operate and furnish facilities and services for the collection, treatment, reclamation and disposal of wastewater, and the District may contract with others for such purposes. The District has an extensive network of gravity sewers, force mains, lift stations and siphons that convey wastewater to two District-owned treatment plants. As of June 30, 2023, the District had approximately 1,480 miles of sewer mains and treatment plant capacity of approximately 33.5 mgd at the MWRP and the Los Alisos Water Recycling Plant (“**LAWRP**”). More than 10,600 billion gallons of wastewater were treated by the District (including wastewater flows sent to Orange County Sanitation District (“**OC San**”)) during Fiscal Year 2023.

In 1986, the District cooperated with OC San to form Sanitation District 14 (functionally replaced by “Revenue Area 14” of OC San upon the consolidation of the several sanitation districts comprising OC San’s predecessor, the County Sanitation Districts of Orange County, in 1998), which overlays a substantial portion of the District’s territory. Under an agreement entered into between the District and OC San in connection with such formation, the District paid approximately \$34 million for an approximate 6% interest in OC San’s sewage processing facilities (such percentage of interest will vary over time pursuant to a formula set forth in the agreement between OC San and the District). This agreement currently provides treatment capacity (in addition to the capacity at District-owned facilities (the MWRP and the LAWRP)) of up to 15 mgd. The agreement also provides for the purchase by the District of certain additional capacity in OC San sewage processing facilities determined from annual flows. In Fiscal Years 2022 and 2023, the District utilized approximately 2.2 billion gallons and 2.8 billion gallons, respectively, of capacity each year pursuant to its agreement with OC San. In Fiscal Year 2023, approximately 74% of the District’s wastewater was treated by the MWRP and LAWRP operated by the District, and approximately 26% was treated by OC San.

OC San faces various challenges in the continued treatment of sewage. A description of these challenges, as well as a variety of other operating information with respect to OC San, is included in certain disclosure documents prepared by OC San. OC San periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. OC San has also entered into certain continuing disclosure agreements pursuant to which OC San is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12. Such official statements, other disclosure documents, annual reports

and notices (collectively, the “**OC San Information**”) are filed with EMMA at <http://emma.msrb.org>. The OC San Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. OC SAN HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2024 BONDS TO PROVIDE OC SAN INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2024 BONDS.

OC SAN HAS NOT REVIEWED THIS OFFICIAL STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO OC SAN. OC SAN IS NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE DISTRICT OR THE OWNERS OF THE SERIES 2024 BONDS UNDER RULE 15c2-12.

The District treats and recycles wastewater in amounts sufficient to meet recycled water customer demand and fill available capacity in seasonal storage reservoirs for later delivery to recycled water customers. Most of the excess wastewater collected by the District is diverted to OC San for treatment and ultimate disposal into the Pacific Ocean through OC San’s two ocean outfall pipelines or recharged into the Orange County groundwater basin through OCWD’s Groundwater Replenishment System.

The District has evaluated alternative approaches to handling its biosolids. In 2020, the District began operating the Biosolids and Energy Recovery Facility (the “**Biosolids Facility**”) to handle MWRP solids which were previously conveyed to OC San. Operation of the Biosolids Facility enables the District to dewater and beneficially reuse biosolids and reduce conveyances to OC San, in accordance with District goals of undertaking green and sustainable business practices and establishing cost-effective management of sewage services for District customers.

Ultimately, the District plans to expand capacity for its treatment facilities to approximately 40.5 mgd in order to: (i) increase recycled water production and utilization; (ii) decrease exposure to external treatment costs and operational constraints; and (iii) decrease dependence on imported water supplies. The increased capacity will allow the Biosolids Facility to handle solids from the District’s MWRP and LAW RP facilities and solids from other potential participating agencies. See the caption “FUTURE CAPITAL IMPROVEMENTS.”

Historic Sewer System and Recycled Water Connections

The following table shows the number of sewer and recycled water connections in the District for the five most recent Fiscal Years.

**TABLE 22
IRVINE RANCH WATER DISTRICT
Historic Sewer and Recycled Water Connections**

<i>Fiscal Year</i>	<i>Connections</i>	<i>Percentage Change</i>
2019	111,210	N/A%
2020	113,176	1.77
2021	115,382	1.95
2022	117,334	1.69
2023	118,766	1.22

Source: The District.

Projected Sewer and Recycled Water Connections

The following table shows the projected number of sewer and recycled water connections for the current and next four Fiscal Years.

**TABLE 23
IRVINE RANCH WATER DISTRICT
Projected Sewer and Recycled Water Connections⁽¹⁾**

<i>Fiscal Year</i>	<i>Connections</i>	<i>Percentage Change</i>
2024	120,547	1.50%
2025	122,356	1.50
2026	124,191	1.50
2027	125,433	1.00
2028	126,687	1.00

⁽¹⁾ Increases in connections reflect District estimates of development activity.
Source: The District.

Connection Fees

The District collects a sewer connection fee for each new connection to finance District sewer facilities. Connection fees vary by Improvement District and range from \$2,262 to \$9,641 for each residential unit and \$10,656 to \$94,272 for each acre of commercial or industrial property. The connection fee is designed to recover the cost of each additional connection and allocate among all Improvement Districts the costs of master planned facilities such as transmission mains, pumping stations, treatment facilities and appurtenances and capacity necessary to serve each Improvement District.

Historic Sewer Daily Average Flow

The following table shows the daily average sewer flow in millions of gallons per day for the five most recent Fiscal Years.

**TABLE 24
IRVINE RANCH WATER DISTRICT
Historic Sewer Daily Average Flow**

<i>Fiscal Year</i>	<i>Daily Average Flow (mgd)⁽¹⁾</i>	<i>Percentage Change</i>
2019	28.2	N/A%
2020	28.3	0.35
2021	29.2	3.18
2022	29.3	0.34
2023	29.0	(1.02)

⁽¹⁾ Includes District flow treated by OC San.
Source: The District.

Projected Sewer Daily Average Flow

The following table shows the projected daily average sewer flow in millions of gallons per day for the current and next four Fiscal Years.

**TABLE 25
IRVINE RANCH WATER DISTRICT
Projected Sewer Daily Average Flow**

<i>Fiscal Year</i>	<i>Daily Average Flow (mgd)⁽¹⁾</i>	<i>Percentage Change</i>
2024	29.3	1.03%
2025	29.6	1.00
2026	29.9	1.00
2027	30.2	1.00
2028	30.5	1.00

⁽¹⁾ Includes District flow projected to be treated by OC San.
Source: The District.

Historic Recycled Water Sales and Sewer Service Charge Revenues

The following table shows the recycled water sales and sewer service charge revenues for the five most recent Fiscal Years. Increases reflect increases in connections as well as rate increases adopted by the Board of Directors.

**TABLE 26
IRVINE RANCH WATER DISTRICT
Historic Recycled Water Sales and Sewer Service Charge Revenues
(In Thousands)**

<i>Fiscal Year</i>	<i>Recycled Water Sales and Sewer Service Charge Revenues</i>	<i>Percentage Change</i>
2019	\$76,841	N/A%
2020	77,187	0.45
2021	82,234	6.54
2022	84,955	3.31
2023	84,693	(0.31)

Source: The District.

Projected Recycled Water Sales and Sewer Service Charge Revenues

The following table shows the projected recycled water sales and sewer service charge revenues for the current and next four Fiscal Years.

TABLE 27
IRVINE RANCH WATER DISTRICT
Projected Recycled Water Sales and Sewer Service Charge Revenues
(In Thousands)

<i>Fiscal Year</i>	<i>Recycled Water Sales and Sewer Service Charge Revenues⁽¹⁾</i>	<i>Percentage Change</i>
2024	\$110,154	30.06%
2025	117,437	6.61
2026	123,309	5.00
2027	129,474	5.00
2028	135,948	5.00

⁽¹⁾ Reflects increases in projected sewer connections and daily average sewer flow described under the captions “—Projected Sewer and Recycled Water Connections” and “—Projected Sewer Daily Average Flow,” respectively, as well as adopted and projected increases in recycled water and sewer rates described under the captions “THE WATER SYSTEM—Water System Rates and Charges” and “THE SEWER SYSTEM—Sewer System Rates and Charges.” Such rate increases are subject to the notice, hearing and protest provisions of Proposition 218 and there can be no assurance that the Board of Directors will adopt such rate increases as currently projected. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218.”

Source: The District.

Largest Sewer and Recycled Water Service Customers

The following table sets forth the ten largest sewer service customers of the District for Fiscal Year 2023, as determined by annual payments.

TABLE 28
IRVINE RANCH WATER DISTRICT
Ten Largest Sewer and Recycled Water Service Customers
Fiscal Year 2023

<i>Customer</i>	<i>Fiscal Year 2023 Payment</i>	<i>Percentage of Total Sewer and Recycled Service Revenues</i>
1. The Irvine Company	\$13,071,552	15.43%
2. City of Irvine	2,840,890	3.35
3. University of California, Irvine	2,662,137	3.14
4. B Braun Medical, Inc.	798,647	0.94
5. Irvine Unified School District	702,617	0.83
6. Crystal Cove Community Association	399,138	0.47
7. ERP Operating, LP	371,713	0.44
8. California Department of Transportation, District 12	369,927	0.44
9. City of Tustin	346,229	0.41
10. Woodbury Community Association	<u>318,842</u>	<u>0.38</u>
TOTAL	\$21,881,692	25.83%

Source: The District.

These ten largest customers accounted for approximately 25.83% of total sewer and recycled water service revenues in Fiscal Year 2023.

Sewer System Rates and Charges

Effective July 1, 2023, residential users pay a fixed monthly service charge which ranges from \$23.10 to \$33.24, rising to \$25.70 to \$36.79 on July 1, 2024. Commercial and industrial users pay \$33.24 for the first ten ccf of water use and \$3.00 per ccf thereafter.

For the ten Fiscal Years prior to Fiscal Year 2023, the District had increased its fixed monthly sewer service charge by an average of approximately 5% each year.

The projected sewer system and recycled water sales revenues set forth under the captions “—Projected Recycled Water Sales and Sewer Service Charge Revenues” and “WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage” reflect sewer rate increases effective on July 1, 2023 and July 1, 2024 as well as projected sewer and recycled water rate increases of 3.5% per annum thereafter which have not been adopted. Sewer rate increases in Fiscal Years 2026 through 2026 are subject to the notice, hearing and protest provisions of Proposition 218 described under the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218.” There can be no assurance that the Board of Directors will adopt such rate increases as currently projected.

Set forth below is a comparison of the District’s sewer bills for a typical residential customer as compared to other neighboring communities.

TABLE 29
IRVINE RANCH WATER DISTRICT
Typical Residential Customer Sewer Bill

<i>Sewer Service Provider</i>	<i>Charge⁽¹⁾</i>
City of Orange	\$42.48
City of Huntington Beach	40.80
City of Tustin	39.91
City of Costa Mesa	39.70
City of Newport Beach	38.83
City of Santa Ana	37.45
City of Anaheim	36.36
Irvine Ranch Water District⁽²⁾	23.10-33.24

⁽¹⁾ Information is as of December 2023.

⁽²⁾ District sewer service charge varies depending upon customer water usage. Excludes *ad valorem* assessments levied by District.

Source: The District.

FUTURE CAPITAL IMPROVEMENTS

The District anticipates spending approximately \$902 million on water, recycled water and sewer system improvements during the current and the next four Fiscal Years. The District anticipates financing such improvements through a combination of District revenues, fund balances, bonds and/or certificates of participation and, for a portion of the Kern Fan Project (which is described under the caption “—Water Supply Reliability” below), grant proceeds of approximately \$46.9 million. The District currently anticipates issuing additional bonds in the estimated principal amount of \$200 million in Fiscal Year 2027, although the District has not yet determined which source of revenues will be pledged to repay such bonds and there can be no

assurance as to the ultimate timing or principal amount of such bonds. The following table sets forth the District’s projected capital improvement projects for the current and next four Fiscal Years:

TABLE 30
IRVINE RANCH WATER DISTRICT
Projected Water, Recycled Water and Sewer Systems Capital Improvements
For Fiscal Years 2024 through 2028

<i>Project</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>Total</i>
Solids Handling	\$ 3,371,631	\$ 4,835,752	\$ 8,748,650	\$ 23,721,575	\$ 43,717,518	\$ 84,395,126
OC San CORF/Equity ⁽¹⁾	11,892,000	12,175,000	3,844,000	7,374,000	3,734,000	39,019,000
Water Supply Reliability	6,761,234	8,058,737	40,384,292	20,500,187	23,299,700	99,004,150
Development-Related Expansion	13,430,661	23,594,755	101,330,144	116,084,754	31,336,071	285,776,385
Replacement and Refurbishment	22,032,521	44,646,954	58,057,991	58,994,339	72,234,313	255,966,118
Operational Improvements	<u>50,785,803</u>	<u>30,887,465</u>	<u>21,048,306</u>	<u>17,014,711</u>	<u>17,994,736</u>	<u>137,731,021</u>
Total	\$108,273,850	\$124,198,663	\$233,413,383	\$243,689,566	\$192,316,338	\$901,891,800

⁽¹⁾ The District pays for its portion of OC San capital costs based on a 3-year rolling average of sewer flows. Assuming normal weather patterns return, the District’s average sewer flow is expected to decrease in the future, which could result in a credit in OC San capital costs in future years. See the caption “THE SEWER SYSTEM—General.”

Source: The District.

Solids Handling

The solids handling capital projects include the design and construction of facilities for thickening, acid-phase anaerobic digestion, dewatering, drying and pelletization, energy generation, and use of pellets as a fertilizer or e-fuel. They also include a solids receiving station to allow processing of dewatered sludge from the LAWRP for drying and pelletization. In addition, facilities for the receipt and transfer of fats, oil and grease to the digesters to increase methane and energy production capabilities came online in mid-2021. See the caption “THE SEWER SYSTEM—General.” A portion of the costs of these projects was financed from proceeds of the 2016 Installment Sale Agreement and the Series 2016 Bonds. See the caption “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness.”

OC San CORF/Equity

OC San’s Capital Outlay Revolving Fund (“CORF”) funds OC San projects such as plant upgrades for secondary treatment and the Groundwater Replenishment System. The District funds its share of the CORF based on the District’s percentage share of OC San’s total wastewater flow. Wastewater flows from the District presently comprise approximately 2% – 3% of OC San flows. In addition, the District purchases and sells equity in the OC San Joint Works Treatment Facilities based on the District’s percentage of OC San flows. See the caption “THE SEWER SYSTEM—General” above.

Water Supply Reliability

Water supply reliability projects include the acquisition and construction of the Water Bank and the Kern Fan Project, which will develop a regional water bank in the Kern Fan area to capture, recharge and store unallocated Article 21 water from the State Water Project during wet hydrologic periods through a joint venture between the District and Rosedale. The stored water would be extracted when needed to provide ecosystem, emergency supply and water supply benefits. The District’s share of the Kern Fan Project would be used in conjunction with the Strand Ranch and Stockdale Integrated Banking Projects to meet the District’s contingency storage needs at build-out. Other water supply reliability projects include booster pump stations and interagency pipeline construction. See the captions “WATER SUPPLY—Water Supply Reliability—Other Water Supply Reliability Programs” and “THE WATER SYSTEM—General.”

Development-Related Expansion

Development-related expansion improvements include construction of new water, recycled water and sewer improvements to serve new developments and the expansion of the Syphon Recycled Water Reservoir, which is intended to increase storage capacity in the reservoir from 450 acre feet to 5,000 acre feet. Additional storage capacity could allow the District to utilize more of the recycled water it produces. See the caption “THE WATER SYSTEM—General.”

Replacement and Refurbishment

Replacement and refurbishment improvements consist of repairs and restoration to existing water, recycled water and sewer system facilities, including the replacement of the Santiago Creek Dam’s outlet tower and spillway. See the captions “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Future Indebtedness” and “WATER SUPPLY.”

Operational Improvements

Operational improvements consist of optimizing District facilities and include improvements to the District’s water and wastewater Operations Center, adding water quality mixing systems to existing reservoirs, expanding the reliability of the Supervisory Control and Data Acquisition system, and relocating District facilities as required by interagency projects.

WATER AND SEWER SYSTEM FINANCIAL INFORMATION

Financial Statements

A copy of the most recent financial statements of the District audited by Davis Farr LLP, Certified Public Accountants (the “**Auditor**”), are included as Appendix B (the “**Financial Statements**”) and should be read in their entirety. The Auditor’s letter is set forth at the beginning of the Financial Section of the Financial Statements. The Auditor has not reviewed the contents of this Official Statement, and the District has not sought the Auditor’s consent to the inclusion of the Auditor’s report in the Financial Statements in this Official Statement.

Reduction in BAB Credits

On March 1, 2013, the federal government announced the implementation of certain automatic budget cuts known as the sequester, including reductions in Build America Bond (“**BAB**”) interest subsidy payments (“**BAB Credits**”). The originally scheduled BAB Credit was reduced by amounts ranging from 5.7% to 8.7% in federal fiscal years 2013 through 2023. Under the Infrastructure Investment and Jobs Act enacted in 2021, the reduction of BAB Credits will continue through September 30, 2030 at the rate of 5.7%.

Under federal legislation enacted in 2010, any increase in the federal deficit caused by a new tax or entitlement spending law also triggers sequestration reductions to eliminate the deficit increase, absent a waiver either as part of the triggering law or in subsequent legislation. In light of the federal deficit increase resulting from the American Rescue Plan Act of 2021, a federal COVID-19 relief measure, the Congressional Budget Office has estimated that BAB Credits will be subject to elimination entirely starting January 1, 2023 through September 30, 2026 without action by Congress to waive or postpone such reductions; such a waiver was enacted for federal fiscal year 2023. The District can give no assurance regarding the level of subsidy payments that it will receive in the future or the likelihood of the further reduction or elimination of the subsidy payments for direct-pay bonds, including BAB Credits.

The Series 2010B Bonds are BABs and the historic and projected operating results shown under the captions “—Historic Operating Results and Debt Service Coverage” and “—Projected Operating Results and

Debt Service Coverage” reflect the announced reduction in BAB Credits but do not reflect additional reductions in or the elimination of BAB Credits that may be required in future federal fiscal years. While the District continues to monitor the effects of the reduction in BAB Credits on District finances, the District does not currently expect announced reductions, or any future reductions, to have a material adverse effect on the ability of the District to pay the principal of and interest on the Series 2010B Bonds or the Parity Obligations from Net Revenues.

Historic Operating Results and Debt Service Coverage

The following summary of operating results of the District for the last five Fiscal Years is derived from the Financial Statements and audited financial statements of the District for prior Fiscal Years and excludes certain non-cash items and includes certain other adjustments. Such summary operating results are qualified in their entirety by reference to such statements, including the notes thereto.

TABLE 31
IRVINE RANCH WATER DISTRICT
Historic Operating Results and Debt Service Coverage
Fiscal Years 2018 through 2022
(In Thousands)

	2019	2020	2021	2022	2023
REVENUES					
Water sales and service charges	\$ 94,107	\$ 90,213 ⁽¹⁰⁾	\$ 96,609	\$ 103,286	\$ 103,623
Recycled water sales and sewer service charges	76,841	77,187	82,234	84,955	84,693
Connection fees	18,205	10,943	18,913	10,449	14,355
Net real estate income	8,372	12,549	9,822	9,756	11,398
Interest income	6,992	7,640	3,694	1,860	9,396
Available 1% Property Tax Revenues ⁽¹⁾	42,389	44,463	47,172	49,781	53,045
Other ⁽²⁾	8,876	6,606	6,336	6,529	7,267
Total Revenues	\$ 255,782	\$ 249,601	\$ 264,780	\$ 266,616	\$ 283,777
OPERATION AND MAINTENANCE EXPENSES					
Water services	\$ 64,004	\$ 67,792	\$ 79,221	\$ 89,186	\$ 87,070
Sewer services	43,734	49,497	51,540	48,353	50,751
Administrative and general	28,220	28,336	30,169	29,399	34,533
Pension expense ⁽³⁾	7,906	9,260	10,373	11,286	12,638
Other	2,615	5,240	1,432	2,791	1,972
Total Operation & Maintenance Expenses	\$ 146,478	\$ 160,124	\$ 172,735	\$ 181,015	\$ 186,964
NET REVENUES	\$ 109,304	\$ 89,477	\$ 92,045	\$ 85,601	\$ 96,813
ASSESSMENT PROCEEDS⁽⁴⁾	\$ 12,554	\$ 13,548	\$ 13,009	\$ 13,329	\$ 15,260
TOTAL NET REVENUES AND ASSESSMENT PROCEEDS	\$ 121,858	\$ 103,025	\$ 105,054	\$ 98,930	\$ 112,073
PARITY OBLIGATION DEBT SERVICE					
Series 2016 Bonds	\$ 5,301	\$ 5,301	\$ 5,301	\$ 7,456	\$ 7,415
2016 Installment Sale Agreement	5,837	5,837	9,304	9,341	9,358
Series 2011A Bonds	4,045	3,887	3,236	3,487	5,231
Series 2010B Bonds ⁽⁵⁾	7,792	7,778	7,756	7,764	7,764
2010 Installment Sale Agreement	1,984	2,079	-	-	-
1997 State Loan #3	194	194	-	-	-
Total Parity Obligation Debt Service	\$ 25,153	\$ 25,076	\$ 25,597	\$ 28,048	\$ 29,768
PARITY OBLIGATION COVERAGE⁽⁶⁾	4.8x	4.1x	4.1x	3.5x	3.8x
Revenues Available For Subordinate Debt Service	\$ 96,705	\$ 77,949	\$ 79,457	\$ 70,882	\$ 82,305
SUBORDINATE OBLIGATION DEBT SERVICE					
Swap Payments ⁽⁷⁾	\$ 4,513	\$ 2,496	\$ 3,331	\$ 3,247	\$ 1,081
State Loans and SCWD Debt ⁽⁸⁾	122	100	108	100	100
Total Subordinate Obligation Debt Service	\$ 4,635	\$ 2,596	\$ 3,439	\$ 3,347	\$ 1,181
Sources of Payment for Ad Valorem Assessment Bonds:					
Remaining Revenues	\$ 92,070	\$ 75,353	\$ 76,018	\$ 67,535	\$ 81,124
1% Pledged Property Tax Revenues ⁽⁹⁾	1,192	1,141	860	1,117	1,427
Ad valorem Assessments	6,922	7,223	6,693	6,602	7,289
Total Funds Available for Ad Valorem Assessment Bonds	\$ 100,184	\$ 83,717	\$ 83,571	\$ 75,254	\$ 89,840
Ad Valorem Assessment Bond Debt Service	(11,436)	(10,781)	(9,222)	(9,689)	(12,321)
NET REVENUES AVAILABLE FOR OTHER PURPOSES	\$ 88,748	\$ 72,936	\$ 74,349	\$ 65,565	\$ 77,519

(FOOTNOTES ON FOLLOWING PAGE)

- (1) Represents 1% Property Tax Revenues available to pay debt service on Parity Obligations after payment of debt service on bonds of the District secured by a pledge of the District's share of the County 1% general *ad valorem* property tax pursuant to Resolution 2002-10, adopted by the Board of Directors of the District on April 8, 2002 (the "**Secured Bonds**").
- (2) Other Revenues includes golf course lease, cell site leases, conservation revenue, penalty revenue, grants and Allen-McColloch pipeline income.
- (3) Pension expense is based on GASB 68 requirements. See the caption "THE IRVINE RANCH WATER DISTRICT—Pension Benefits." These expenses were included in the "Administrative and general" line item in the audited financial statements of the District for the Fiscal Years shown. They have been separated in the above table for presentation purposes.
- (4) Pro rata share of *ad valorem* assessments based on outstanding par amount of all Ad Valorem Assessment Bonds. Assessment Proceeds are only available to pay debt service on Series 2010B Bonds, Series 2024 Bonds and Series 2016 Bonds and are not available to pay debt service on other Parity Obligations which are not general obligation bonds secured by *ad valorem* assessments.
- (5) Debt Service net of BAB Credit on Series 2010B Bonds. Reflects announced reductions in BAB Credits due to implementation of certain automatic federal budget costs known as the sequester ranging from 5.7% to 8.7% in federal fiscal years 2013 through 2023.
- (6) Total Net Revenues and Assessment Proceeds divided by Total Parity Obligation Debt Service.
- (7) Net swap payments made.
- (8) Santiago County Water District was consolidated into the District as of July 1, 2006.
- (9) Represents District's share of 1% Property Tax Revenues which, together with the *ad valorem* assessments, is sufficient to pay debt service on the Secured Bonds. Variations reflect fluctuations in debt service on the Secured Bonds and redemptions thereof.
- (10) Decrease in Fiscal Year 2020 reflects one-time cumulative adjustment in water banking storage revenue in Fiscal Year 2019. See Footnote 2 to Table 18 under the caption "THE WATER SYSTEM—Historic Water Sales and Service Charge Revenues."

Source: The District.

Projected Operating Results and Debt Service Coverage

The District's estimated projected operating results for the current and next four Fiscal Years are set forth below, reflecting certain significant assumptions concerning future events and circumstances. The financial forecast represents the District's estimate of projected financial results based on the District's assumptions, including the assumptions in the footnotes to the chart set forth below. Such assumptions are material in the development of the District's financial projections, and variations in the assumptions may produce substantially different financial results. Actual operating results achieved during the projection period may vary from those presented in the forecast and such variations may be material.

TABLE 32*
IRVINE RANCH WATER DISTRICT
Five-Year Debt Service Coverage Forecast
Fiscal Years 2024 through 2028
(In Thousands)

	2024 ⁽¹⁾	2025 ⁽¹⁾	2026	2027	2028
REVENUES					
Water sales and service charges ⁽²⁾	\$123,096	\$132,987	\$139,637	\$146,618	\$153,949
Recycled water sales and sewer service charges ⁽³⁾	110,154	117,437	123,309	129,474	135,948
Connection fees ⁽⁴⁾	12,000	11,000	11,000	10,000	10,000
Net real estate income ⁽⁵⁾	11,900	12,200	12,566	12,943	13,331
Interest income ⁽⁶⁾	13,235	13,319	9,845	8,852	7,046
Available 1% Property Tax Revenues ⁽⁷⁾	54,717	57,134	58,813	60,484	62,400
Other ⁽⁸⁾	7,000	7,000	7,000	7,000	7,000
Total Revenues	332,101	351,077	362,169	375,373	389,675
OPERATION AND MAINTENANCE EXPENSES					
Water services ⁽⁹⁾	99,317	104,782	108,450	112,245	116,174
Recycled and sewer services ⁽⁹⁾	65,502	69,945	72,393	74,926	77,549
Administrative and general ⁽¹⁰⁾	24,366	26,068	26,981	27,925	29,042
Pension expense ⁽¹¹⁾	13,055	13,147	12,265	11,864	11,587
Other ⁽¹²⁾	1,500	1,500	1,500	1,500	1,500
Total Operation & Maintenance Expenses	203,741	215,442	221,588	228,461	235,852
NET REVENUES	128,360	135,635	140,580	146,912	153,823
ASSESSMENT PROCEEDS⁽¹³⁾	\$ 14,956	\$ 15,757	\$ 16,449	\$ 14,091	\$ 14,573
TOTAL NET REVENUES AND ASSESSMENT PROCEEDS	143,317	151,392	157,029	161,003	168,396
PARITY OBLIGATION DEBT SERVICE⁽¹⁴⁾					
Series 2016 Bonds	7,455	7,456	7,457	7,456	7,456
2016 Installment Sale Agreement ⁽¹⁵⁾	9,506	9,630	9,752	9,827	9,940
Series 2011A Bonds ⁽¹⁶⁾	5,690	5,855	5,741	5,545	5,620
Series 2010B Bonds ⁽¹⁷⁾	7,764	0	0	0	0
Series 2024 Bonds*	-	8,808	8,376	8,610	8,904
Total Parity Obligation Debt Service	30,415	31,750	31,326	31,438	31,920
PARITY OBLIGATION COVERAGE⁽¹⁸⁾	4.7 x	4.8 x	5.0 x	5.1 x	5.3 x
Revenues Available For Subordinate Debt Service	112,902	119,642	125,704	129,565	136,476
SUBORDINATE OBLIGATION DEBT SERVICE⁽¹⁴⁾					
Swap Payments ⁽¹⁹⁾	1,194	834	984	1,194	1,194
State Loans and SCWD Debt ⁽¹⁵⁾	100	100	100	59	19
Total Subordinate Obligation Debt Service	1,294	934	1,084	1,253	1,213
Sources of Payment for Ad Valorem Assessment Bonds:					
Remaining Revenues	111,608	118,708	124,620	128,312	135,263
1% Pledged Property Tax Revenues ⁽²⁰⁾	1,783	1,566	1,687	1,816	1,800
Ad valorem Assessments ⁽²¹⁾	7,144	7,243	7,251	10,309	10,527
Total Funds Available for Ad Valorem Assessment Bonds	120,535	127,518	133,558	140,437	147,590
Ad Valorem Assessment Bond Debt Service ⁽²²⁾	11,729	14,300	14,246	18,927	19,595
NET REVENUES AVAILABLE FOR OTHER PURPOSES	108,805	113,217	119,312	121,510	127,995

* Preliminary, subject to change.

(1) Reflected budgeted amounts with certain adjustments.

(FOOTNOTES CONTINUED ON FOLLOWING PAGE)

(FOOTNOTES CONTINUED FROM PREVIOUS PAGE)

- (2) Reflects rate increases effective on July 1, 2023 and July 1, 2024 as well as projected water rate increases of 3.5% per annum thereafter which have not yet been adopted. See the caption “THE WATER SYSTEM—Projected Water Sales and Service Charge Revenues.”
- (3) Reflects rate increases effective on July 1, 2023 and July 1, 2024 as well as projected sewer and recycled water rate increases of 3.5% per annum thereafter which have not been adopted. See the caption “THE SEWER SYSTEM—Projected Recycled Water Sales and Sewer Service Charge Revenues.”
- (4) Based on District projections of development.
- (5) Based on existing and expected leases. See the captions “THE IRVINE RANCH WATER DISTRICT—Current Investments” and “THE IRVINE RANCH WATER DISTRICT—Projected Net Real Estate Income.”
- (6) Assumes interest rates of 3.6% in Fiscal Year 2024, 3.9% in Fiscal Year 2025, 3.6% in Fiscal Year 2026, 3.3% in Fiscal Year 2027 and 3.3% in Fiscal Year 2028.
- (7) Represents 1% Property Tax Revenues available to pay Debt Service on Parity Obligations after payment of debt service on Secured Bonds from 1% Property Tax Revenues and applicable *ad valorem* assessments. Projected fluctuation in 1% Property Tax Revenues is a result of uneven debt service on Secured Bonds. See the caption “THE IRVINE RANCH WATER DISTRICT—1% Property Tax Revenues.”
- (8) Includes golf course lease, cell site leases, overallocation revenue, penalty revenue and grants. Projected to remain at Fiscal Year 2024 budgeted amount.
- (9) Projected to increase approximately 3.5% per annum from Fiscal Year 2025 budgeted amount. Water services expenses do not reflect any reduction in payments to OCWD as a result of the Complaint that is discussed under the caption “WATER SUPPLY—Groundwater—General.”
- (10) Projected to increase approximately 3.5% per annum in Fiscal Years 2026 and 2027 and 4.0% per annum thereafter.
- (11) Reflects projected OPEB costs, normal pension costs and unfunded pension liability expenses. See the caption “THE IRVINE RANCH WATER DISTRICT—Pension Benefits.”
- (12) Projected to remain at Fiscal Year 2024 budgeted amount.
- (13) Pro rata share of *ad valorem* assessments based on outstanding par amount of all Ad Valorem Assessment Bonds. Assessment Proceeds are only available to pay debt service on Series 2010B Bonds, Series 2011A Bonds and Series 2016 Bonds and are not available to pay other Parity Obligations which are not general obligation bonds secured by *ad valorem* assessments.
- (14) Does not reflect the issuance of additional debt to finance future capital improvements. See the caption “FUTURE CAPITAL IMPROVEMENTS” for a discussion of an expected additional bond issuance in Fiscal Year 2027.
- (15) Reflects scheduled debt service.
- (16) Projected at rates of 3.1% in Fiscal Year 2024, 3.4% in Fiscal Year 2025, 3.1% in Fiscal Year 2026, 2.8% in Fiscal Year 2027 and 2.8% in Fiscal Year 2028. Assumes that the purchase price of Series 2011A Bonds is paid from remarketing proceeds. Assumes letter of credit fees equal to 0.32% of principal.
- (17) Debt Service net of BAB Credit on Series 2010B Bonds. Reflects announced reductions in BAB Credits of 5.7% under the sequestration provisions of the Infrastructure Investment and Jobs Act enacted in 2021.
- (18) Total Net Revenues and Assessment Proceeds divided by Total Parity Obligation Debt Service.
- (19) Net swap payments. Assumes SOFR rate with respect to swaps of 3.70% in Fiscal Year 2024, 4.30% in Fiscal Year 2025, 4.05% in Fiscal Year 2026, 3.70% in Fiscal Year 2027 and 3.74% in Fiscal Year 2028. See the caption “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Subordinate Debt—Interest Rate Swap Transactions.”
- (20) Represents District’s share of 1% Property Tax Revenues which, together with the applicable *ad valorem* assessments, is sufficient to pay debt service on the Secured Bonds.
- (21) Pro rata share of *ad valorem* assessments based on outstanding par amount of all *ad valorem* assessment bonds and Series 2010B Bonds, Series 2011A Bonds and Series 2016 Bonds.
- (22) Ad Valorem Assessment Bonds debt projection assumes annual sinking fund payments, SIFMA rates of 3.1% in Fiscal Year 2024, 3.4% in Fiscal Year 2025, 3.1% in Fiscal Year 2026, 2.8% in Fiscal Year 2027 and 2.8% in Fiscal Year 2028 and letter of credit fees equal to 0.3% of principal. Does not include Series 2010B Bonds, Series 2011A Bonds or Series 2016 Bonds, which are Parity Obligations. Assumes the issuance of \$100 million of new variable rate *ad valorem* assessment bonds issued in Fiscal Year 2026. See the caption “FUTURE CAPITAL IMPROVEMENTS.”

Source: The District.

THE IMPROVEMENT DISTRICTS

General

The District contains eight water Improvement Districts and ten sewer Improvement Districts covering specific areas within the District’s boundaries, some of them overlapping and each of which is governed by the Act. The District formed the Improvement Districts in order to allocate funding responsibility for capital facilities to the areas that will benefit from such capital facilities and to separate areas on the basis of projected timing of development so that capital facilities construction can be matched to the development approval decisions of the respective local agency that makes them. Some of the Improvement Districts share in the

funding of the District’s regional facilities which the Improvement Districts will use in common, such as major water importation facilities or sewer treatment plants.

Each Improvement District has a respective plan of works and a certain amount of authorized general obligation bonded indebtedness. See Table 3 under the caption “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness.” The *Ad Valorem* Assessment Bonds issued pursuant to such authorization are sold in each instance by the District on the respective Improvement District’s behalf. The obligation to repay bonds issued on behalf of an Improvement District is secured in each instance by the power of the District to levy and collect within such Improvement District *ad valorem* assessments without limitation as to rate or amount on land only (enforceable by customary rights to foreclose and sell property for delinquent assessments) or, in lieu of assessments, in the District’s discretion, charges for water or sewer service, as applicable, all within the subject Improvement District. These powers and functions are exercised for each Improvement District by the Board of Directors of the District. Although the respective funding obligations of each Improvement District are separate and independent, the Improvement Districts are not operated as separate or independent governmental entities, nor do they have governing boards or any staff. The Improvement Districts are geographical subdivisions of the District through which the District funds capital improvements.

As a result of the District’s discretionary election to use other sources of payment for debt service on *ad valorem* assessment bonds, the annual tax rates set by the District vary from year to year and generally do not result in revenues that correspond with debt service requirements on the *Ad Valorem* Assessment Bonds. The annual tax rates set by the District may vary from year to year for other reasons as well. The District has covenanted under the Indenture that, to the extent necessary to pay debt service on the Series 2024 Bonds, it will impose and collect *ad valorem* assessments on taxable land and In Lieu Charges (as such term is defined in Appendix C) within Improvement District Nos. 112, 113, 125, 188, 212 and 225. See the caption “SECURITY FOR THE SERIES 2024 BONDS—General—Covenant to Collect Assessment Proceeds” in the forepart of this Official Statement.

The California Water Code allows the Board of Directors, in a noticed hearing process, to reorganize its improvement district boundaries and to consolidate coterminous improvement districts. As development progresses to completion in improvement districts and the need for having separate improvement districts to match capital facilities construction timing for different geographic areas diminishes, consolidation of various improvement districts can produce efficiencies for the District. Under the California Water Code provisions, certain improvement districts of the District are the consolidated successors to previously separate water improvement districts or previously separate sewer improvement districts, respectively. In 2013, following studies carried out by the District to identify further opportunities to implement such consolidations and reorganizations of its improvement districts, the District implemented improvement district consolidations that reduced the number of its improvement districts from 33 to 17. The statutory provisions for the consolidation of improvement districts specify that a consolidated improvement district may levy and collect the assessments and charges necessary to satisfy the obligations of its predecessor improvement districts, and that the authorized and unissued bonds of the predecessor improvement districts may be issued and sold as the bonds of the consolidated improvement district. The District believes that its actions to reorganize and/or consolidate improvement districts will not impair the District’s obligation to pay debt service on the outstanding bonds of such improvement districts or the security therefor. See the Official Statement under the caption “INTRODUCTION—Improvement Districts—Improvement District Nos. 125 and 225” for a discussion of the consolidation of Improvement District Nos. 105 and 250 into Improvement District Nos. 125 and 225, respectively.

The following is a general description of each of the Improvement Districts as to which the Series 2024 Bonds constitute consolidated, several general obligations:

Improvement District Nos. 125 and 225

General. Improvement District Nos. 125 and 225 are the legal successors to Improvement District Nos. 105 and 250, respectively. In 2013 (i) Improvement District No. 105 and ten other water improvement districts were consolidated into a new improvement district, Improvement District No. 125, in accordance with Section 36454 *et seq.* of the Act; and (ii) Improvement District No. 250 and nine other sewer improvement districts were consolidated into a new improvement district, Improvement District No. 225, in accordance with Section 36454 *et seq.* of the Act.

Improvement District No. 125 (water) covers approximately 35,438 acres of the District, including several contiguous and non-contiguous areas in the central and coastal parts of the District. Improvement District No. 225 (sewer) covers approximately 32,862 acres of the District, including several contiguous and non-contiguous areas in the central part of the District. Currently, the majority of the land within Improvement District Nos. 125 and 225 consists of developed residential and commercial property. However, the District expects certain areas within Improvement District Nos. 125 and 225 to be subject to infill development and redevelopment in the future. The District expects such additional development in Improvement District Nos. 125 and 225 to continue through at least 2028.

The *ad valorem* assessments levied by the District in Improvement District Nos. 125 and 225 to pay such Improvement Districts’ respective Included Amounts of debt service on the Series 2024 Bonds will be levied on land only. See Table 3 under the caption “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness” for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 125 and 225 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District No. 125 for the current and previous four Fiscal Years.

TABLE 33
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Assessed Valuations (Land Only)

<i>Fiscal Year</i>	<i>Local Secured</i>	<i>Utility</i>	<i>Unsecured</i> ⁽¹⁾	<i>Total</i>
2020	\$45,880,505,430	\$ 553,973	\$43,180,694	\$45,924,240,097
2021	48,251,707,120	553,973	38,575,168	48,290,836,261
2022	50,567,081,713	553,973	51,119,724	50,618,755,410
2023	54,341,166,760	1,206,612	31,707,647	54,374,081,019
2024	58,735,262,984	1,206,612	90,433,208	58,826,902,804

⁽¹⁾ Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
 Source: California Municipal Statistics, Inc.

The following table presents the assessed valuations of land in Improvement District No. 225 for the current and previous four Fiscal Years.

TABLE 34
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Assessed Valuations (Land Only)

<i>Fiscal Year</i>	<i>Local Secured</i>	<i>Utility</i>	<i>Unsecured⁽¹⁾</i>	<i>Total</i>
2020	\$39,191,007,846	\$ 553,973	\$42,628,832	\$39,234,190,651
2021	41,344,701,998	553,973	38,581,368	41,383,837,339
2022	43,384,833,732	553,973	50,019,014	43,435,406,719
2023	46,633,216,378	1,206,612	28,872,502	46,663,295,492
2024	50,595,397,452	1,206,612	87,685,147	50,684,289,211

⁽¹⁾ Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 125 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2024:

TABLE 35
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Assessed Valuation and Parcels by Land Use

	<i>Fiscal Year 2024 Assessed Valuation⁽¹⁾</i>	<i>% of Total</i>	<i>No. of Parcels</i>	<i>% of Total</i>
Non-Residential:				
Rural/Undeveloped	\$ 95,121,481	0.16%	90	0.08%
Commercial/Office	5,395,980,563	9.19	1,580	1.42
Industrial	2,634,572,980	4.49	1,169	1.05
Government/Social/Institutional	9,070,656	0.02	251	0.23
Miscellaneous	<u>18,590,363</u>	<u>0.03</u>	<u>10</u>	<u>0.01</u>
Subtotal Non-Residential	\$ 8,153,336,043	13.88%	3,100	2.79%
Residential:				
Single Family Residence	\$34,439,819,987	58.64%	40,998	36.87%
Condominium	15,176,157,270	25.84	33,620	30.24
2+ Residential Units/Apartments	876,693,342	1.49	260	0.23
Timeshare Interests	<u>89,256,342</u>	<u>0.15</u>	<u>33,205</u>	<u>29.87</u>
Subtotal Residential	\$50,581,926,941	86.12%	108,083	97.21%
Total	<u>\$58,735,262,984</u>	<u>100.00%</u>	<u>111,183</u>	<u>100.00%</u>

⁽¹⁾ Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 225 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2024:

TABLE 36
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Assessed Valuation and Parcels by Land Use

	<i>Fiscal Year 2024 Assessed Valuation⁽¹⁾</i>	<i>% of Total</i>	<i>No. of Parcels</i>	<i>% of Total</i>
Non-Residential:				
Rural/Undeveloped	\$ 85,124,888	0.17%	80	0.10%
Commercial/Office	5,365,890,554	10.61	1,490	1.95
Industrial	2,595,634,521	5.13	1,160	1.51
Government/Social/Institutional	6,012,539	0.01	225	0.29
Miscellaneous	<u>18,245,126</u>	<u>0.04</u>	<u>9</u>	<u>0.01</u>
Subtotal Non-Residential	\$ 8,070,907,628	15.95%	2,964	3.87%
Residential:				
Single Family Residence	\$ 26,641,883,923	52.66%	39,987	52.22%
Condominium	15,012,369,777	29.67	33,374	43.58
2+ Residential Units/Apartments	<u>870,236,124</u>	<u>1.72</u>	<u>255</u>	<u>0.33</u>
Subtotal Residential	\$ 42,524,489,824	84.05%	73,616	96.13%
Total	<u>\$ 50,595,397,452</u>	<u>100.00%</u>	<u>76,580</u>	<u>100.00%</u>

⁽¹⁾ Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).

Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table lists the major taxpayers in Improvement District No. 125 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2024:

TABLE 37
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Largest Local Secured Taxpayers

	<i>Property Owner</i>	<i>Primary Land Use</i>	<i>Fiscal Year 2024 Assessed Valuation</i>	<i>% of Total⁽¹⁾</i>
1.	The Irvine Company	Commercial	\$ 253,581,814	0.43%
2.	Barranca Properties LLC	Commercial	240,000,000	0.41
3.	Alton Parkway Operating Company LLC	Commercial	172,243,840	0.29
4.	Five Point Office Venture	Commercial	149,928,436	0.26
5.	Heritage Fields El Toro LLC	Commercial	140,931,432	0.24
6.	Centerpoint Properties Trust	Commercial	120,885,533	0.21
7.	Amazon.com Services LLC	Industrial	116,696,124	0.20
8.	SP One LLC	Commercial	112,273,440	0.19
9.	Sand Canyon Business Center LLC	Commercial	93,103,344	0.16
10.	Alton Parkway Office Campus LLC	Industrial	<u>86,700,000</u>	<u>0.15</u>
	TOTAL		<u>\$ 1,486,343,963</u>	2.53%

⁽¹⁾ Fiscal Year 2024 Local Secured Assessed Valuation (Land Only): \$58,735,262,984.

Source: California Municipal Statistics, Inc.

The following table lists the major taxpayers in Improvement District No. 225 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2024:

TABLE 38
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Largest Local Secured Taxpayers

	<i>Property Owner</i>	<i>Primary Land Use</i>	<i>Fiscal Year 2024 Assessed Valuation</i>	<i>% of Total⁽¹⁾</i>
1.	Barranca Properties LLC	Commercial	\$ 240,000,000	0.47%
2.	The Irvine Company	Commercial	206,602,717	0.41
3.	Alton Parkway Operating Company LLC	Commercial	172,243,840	0.34
4.	Five Point Office Venture	Commercial	149,928,436	0.30
5.	Heritage Fields El Toro LLC	Commercial	140,931,432	0.28
6.	Centerpoint Properties Trust	Commercial	120,885,533	0.24
7.	Amazon.com Services LLC	Industrial	116,696,124	0.23
8.	SP One LLC	Commercial	112,273,440	0.22
9.	Sand Canyon Business Center LLC	Commercial	93,103,344	0.18
10.	Alton Parkway Office Campus LLC	Industrial	<u>86,700,000</u>	<u>0.17</u>
	TOTAL		<u><u>\$ 1,439,364,866</u></u>	2.84%

⁽¹⁾ Fiscal Year 2024 Local Secured Assessed Valuation (Land Only): \$50,595,397,452.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the “**Debt Reports–I.D. 125/225**”) for Improvement District Nos. 125 and 225, respectively, prepared by California Municipal Statistics, Inc. and effective December 31, 2023. The Debt Reports–I.D. 125/225 were prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Reports–I.D. 125/225 generally include long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 125 and No. 225 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 125 and No. 225 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 125 and No. 225. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 39
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Direct and Overlapping Debt Statement

Fiscal Year 2024 Land Only Assessed Valuation: \$58,826,902,804

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable⁽¹⁾</u>	<u>Debt 12/31/23</u>
Metropolitan Water District	2.696%	\$ 518,036
Coast Community College District	5.172	45,873,369
Rancho Santiago Community College District	0.942	1,453,284
Irvine Unified School District School Facilities Improvement District No. 1	46.160	97,663,020
Laguna Beach Unified School District	14.442	1,435,535
Newport Mesa Unified School District	13.331	28,794,245
Orange Unified School District	2.034	5,619,840
Saddleback Valley Unified School District	36.815	31,924,127
Tustin Unified School District School Facilities Improvement District No. 2002-1	3.226	1,224,428
Tustin Unified School District School Facilities Improvement District No. 2008-1	3.312	2,418,754
Tustin Unified School District School Facilities Improvement District No. 2012-1	29.998	14,100,560
Irvine Ranch Water District Improvement District No. 125	100.000	160,777,059⁽²⁾
Irvine Ranch Water District Improvement District Nos. 153/253	99.996	18,645,106
Irvine Ranch Water District Improvement District Nos. 185/285	100.000	3,160,530
Irvine Ranch Water District Improvement District No. 225	96.569	221,297,276
Irvine Ranch Water District Improvement District No. 240	99.541	13,102,446
Community Facilities Districts	75.370-100.000	710,339,318
County 1915 Act Bonds	100.000	19,270,000
City 1915 Act Bonds	Various	<u>542,514,118</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$1,920,131,051
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Orange County General Fund Obligations	13.552%	\$ 61,141,881
Orange County Board of Education Certificates of Participation	13.552	1,471,747
Coast Community College District General Fund Obligations/Pension Obligation Bonds	5.172	114,043
Orange Unified School District Certificates of Participation/Benefit Obligation Bonds	2.034	1,406,212
City of Irvine General Fund Obligations	59.727	194,877,256
City of Newport Beach Certificates of Participation	21.733	20,325,788
City of Orange General Fund Obligations/Pension Obligation Bonds	3.362	<u>9,983,795</u>
TOTAL OVERLAPPING GENERAL FUND DEBT		\$ 289,320,722
 OVERLAPPING TAX INCREMENT DEBT (Successor Agencies)		\$ 1,396,605
 COMBINED TOTAL DEBT		\$2,210,848,378⁽³⁾

Ratios to Fiscal Year 2024 Land Only Assessed Valuation:

Direct Debt (\$160,777,059)0.27%
Total Direct and Overlapping Tax and Assessment Debt.....3.26%

Ratios to Adjusted All Property Assessed Valuation:

Combined Total Debt.....2.12%

Ratios to Redevelopment Incremental Valuation (\$1,260,042,415):

Total Overlapping Tax Increment Debt.....0.11%

⁽¹⁾ Based on all property assessed valuation of \$104,336,760,497.

⁽²⁾ Improvement District No. 125 was formed by consolidating former Improvement District Nos. 105, 106, 102, 121, 130, 135, 140, 161, 182, 184 and 186.

⁽³⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

TABLE 40
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Direct and Overlapping Debt Statement

Fiscal Year 2024 Land Only Assessed Valuation: \$50,684,289,211

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable⁽¹⁾</u>	<u>Debt 12/31/23</u>
Metropolitan Water District	2.375%	\$ 456,356
Coast Community College District	0.263	2,332,695
Rancho Santiago Community College District	0.016	24,684
Irvine Unified School District School Facilities Improvement District No. 1	51.944	109,900,518
Newport Mesa Unified School District	2.608	5,633,140
Orange Unified School District	0.035	96,703
Saddleback Valley Unified School District	36.815	31,924,127
Tustin Unified School District School Facilities Improvement District No. 2002-1	5.023	1,906,480
Tustin Unified School District School Facilities Improvement District No. 2008-1	5.157	3,766,157
Tustin Unified School District School Facilities Improvement District No. 2012-1	31.330	14,724,786
Irvine Ranch Water District Improvement District No. 125	85.065	136,765,005
Irvine Ranch Water District Improvement District No. 153/253	99.996	18,645,106
Irvine Ranch Water District Improvement District No. 185/285	100.000	3,160,530
Irvine Ranch Water District Improvement District No. 225	100.000	229,159,747⁽²⁾
Community Facilities Districts	7.370-100.000	704,056,556
City 1915 Act Bonds	Various	<u>541,876,174</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$1,804,428,764
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Orange County General Fund Obligations	11.937%	\$ 53,855,566
Orange County Board of Education Certificates of Participation	11.937	1,296,358
Coast Community College District General Fund Obligations/Pension Obligation Bonds	0.263	5,799
Orange Unified School District Certificates of Participation/Benefit Obligation Bonds	0.038	24,198
City of Irvine General Fund Obligations	61.710	201,347,388
City of Newport Beach Certificates of Participation	3.233	3,023,663
City of Orange General Fund Obligations/Pension Obligation Bonds	0.028	<u>83,149</u>
TOTAL OVERLAPPING GENERAL FUND DEBT		\$ 259,636,121
 OVERLAPPING TAX INCREMENT DEBT (Successor Agencies)		 \$ 1,396,605
 COMBINED TOTAL DEBT		 \$2,065,461,490 ⁽³⁾

Ratios to Fiscal Year 2024 Land Only Assessed Valuation:

Direct Debt (\$229,159,747)0.45%
Total Direct and Overlapping Tax and Assessment Debt.....3.56%

Ratios to Adjusted All Property Assessed Valuation:

Combined Total Debt.....2.25%

Ratios to Redevelopment Incremental Valuation (\$1,260,042,415):

Total Overlapping Tax Increment Debt.....0.11%

⁽¹⁾ Based on all property assessed valuation of \$91,907,058,836.

⁽²⁾ Improvement District No. 225 was formed by consolidating former Improvement District Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286.

⁽³⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

Improvement District No. 113

General. Improvement District No. 113 (water) is located in portions of the Cities of Tustin and Irvine, California. Improvement District No. 113 is comprised of approximately 1,629 acres of the land formerly known as Marine Corps Air Station Tustin. The boundaries of Improvement District No. 113 are Harvard Avenue on the southeast, Barranca Parkway on the southwest, Red Hill Avenue on the northwest and Edinger Avenue on the northeast. The former helicopter base, now known as Tustin Legacy, is currently being redeveloped with residential, commercial, institutional and recreational uses. The District expects development in Improvement District No. 113 to continue through 2028. The District expects that the development will consist of approximately 7,200 dwelling units and approximately 9,700,000 square feet of commercial, institutional and recreational uses when completed.

The *ad valorem* assessments levied by the District in Improvement District No. 113 to pay such Improvement Districts’ respective Included Amounts of debt service on the Series 2024 Bonds will be levied on land only. See Table 3 under the caption “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness” for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District No. 113 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District No. 113 for the current and previous four Fiscal Years.

TABLE 41
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113
Assessed Valuations (Land Only)

<i>Fiscal Year</i>	<i>Local Secured</i>	<i>Unsecured</i> ⁽¹⁾	<i>Total</i>
2020	\$1,186,307,161	\$ 145,009	\$1,186,452,170
2021	1,265,220,518	17,890,475	1,283,110,993
2022	1,334,069,673	0	1,334,069,673
2023	1,408,807,895	0	1,408,807,895
2024	1,573,321,340	15,325,188	1,588,646,528

⁽¹⁾ Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
 Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 113 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2024:

TABLE 42
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113
Assessed Valuation and Parcels by Land Use

	<i>Fiscal Year 2024 Assessed Valuation⁽¹⁾</i>	<i>% of Total</i>	<i>No. of Parcels</i>	<i>% of Total</i>
Non-Residential:				
Commercial	\$ 188,984,183	12.01%	44	1.18%
Government/Social/Institutional	<u>0</u>	<u>0.00</u>	<u>171</u>	<u>4.59</u>
Subtotal Non-Residential	\$ 188,984,183	12.01%	215	5.77%
Residential:				
Single Family Residence	\$ 759,543,724	48.28%	1,489	39.96%
Condominium/Townhouse	526,301,896	33.45	1,555	41.73
Apartments	36,961,268	2.35	3	0.08
Vacant Residential	<u>61,530,269</u>	<u>3.91</u>	<u>464</u>	<u>12.45</u>
Subtotal Residential	\$ 1,384,337,157	87.99%	3,511	94.23%
Total	<u>\$ 1,573,321,340</u>	<u>100.00%</u>	<u>3,726</u>	<u>100.00%</u>

⁽¹⁾ Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).

Source: California Municipal Statistics, Inc.

The following table lists the major taxpayers in Improvement District No. 113 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2024:

TABLE 43
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113
Largest Local Secured Taxpayers

	<i>Property Owner</i>	<i>Primary Land Use</i>	<i>Fiscal Year 2024 Assessed Valuation</i>	<i>% of Total⁽¹⁾</i>
1.	Vestar/Kimco Tustin LP	Commercial	\$ 86,965,102	5.53%
2.	Brookfield Tustin Homes LLC	Residential Development	48,511,733	3.08
3.	Legacy Villas LLC	Apartments	36,961,268	2.35
4.	Flight Phase I Owner LLC	Office Development	33,483,662	2.13
5.	Costco Wholesale Corporation	Commercial	17,871,716	1.14
6.	1C Tustin Legacy LLC	Commercial	16,975,930	1.08
7.	Lowes HIW Inc.	Commercial	12,688,531	0.81
8.	Hoag Memorial Hospital Presbyterian	Commercial	9,547,216	0.61
9.	Healthsouth Corporation	Commercial	6,202,811	0.39
10.	2C Tustin Legacy LLC	Commercial	<u>3,002,404</u>	<u>0.19</u>
	TOTAL		<u>\$ 272,210,373</u>	<u>17.30%</u>

⁽¹⁾ Fiscal Year 2024 Local Secured Assessed Valuation (Land Only): \$1,573,321,340.

Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the “**Debt Report–I.D. 113**”) for Improvement District No. 113 prepared by California Municipal Statistics, Inc. and effective December 31, 2023. The Debt Report–I.D. 113 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 113 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 113 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 113 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 113. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 44
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113
Direct and Overlapping Debt Statement

Fiscal Year 2024 Land Only Assessed Valuation: \$1,588,646,528

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable⁽¹⁾</u>	<u>Debt 12/31/23</u>
Metropolitan Water District	0.083%	\$ 15,948
Rancho Santiago Community College District	0.147	226,786
Rancho Santiago Community College District School Facilities Improvement District No. 1	0.276	399,551
Irvine Unified School District School Facilities Improvement District	2.897	6,129,328
Santa Ana Unified School District	0.340	1,394,087
Tustin Unified School District School Facilities Improvement District No. 2002-1	8.263	3,136,222
Tustin Unified School District School Facilities Improvement District No. 2008-1	5.868	4,285,400
Tustin Unified School District School Facilities Improvement District No. 2012-1	4.222	1,984,551
Tustin Unified School District Community Facilities District No. 06-1	100.000	12,570,000
City of Irvine Community Facilities District No. 2005-2	99.263	11,008,267
Irvine Ranch Water District Improvement District No. 113	100.000	12,740,804
Irvine Ranch Water District Improvement District No. 213	100.000	19,689,491
City of Tustin Community Facilities District Nos. 04-1, 06-1 and 07-1	56.194-100.000	83,991,065
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$157,571,500

<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Orange County General Fund Obligations	0.419%	\$ 1,890,381
Orange County Board of Education Certificates of Participation	0.419	45,503
Santa Ana Unified School District Certificates of Participation	0.340	147,914
City of Irvine General Fund Obligations	0.336	<u>1,096,301</u>
TOTAL OVERLAPPING GENERAL FUND DEBT		\$ 3,180,099

<u>OVERLAPPING TAX INCREMENT DEBT</u>		
Successor Agency to Tustin Redevelopment Agency	57.163%	<u>\$ 23,911,283</u>
TOTAL OVERLAPPING TAX INCREMENT DEBT		\$ 23,911,283

COMBINED TOTAL DEBT \$184,662,882⁽²⁾

Ratios to Fiscal Year 2024 Land Only Assessed Valuation:

Direct Debt (\$32,430,295)	2.04%
Total Direct and Overlapping Tax and Assessment Debt.....	9.92%

Ratios to Adjusted All Property Assessed Valuation:

Combined Total Debt	5.73%
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Ratios to Redevelopment Incremental Valuation (\$1,239,162,420):

Overlapping Tax Increment Debt	1.93%
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⁽¹⁾ Based on all property assessed valuation of \$3,224,207,647
⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

Improvement District Nos. 112 and 212

General. Improvement District No. 112 (water) and Improvement District No. 212 (sewer) are coterminous and are generally bound by Interstate 5 to the south, State Route 133 to the west, Irvine Boulevard

and Portola Parkway to the north and Alton Parkway to the east. Improvement District No. 112 and Improvement District No. 212 are comprised of approximately 3,353 acres of land and include residential, commercial, institutional and recreational developments.

Set forth below is information with respect to Improvement District Nos. 112 and 212. Certain information with respect to these Improvement Districts has been consolidated, where appropriate in light of their coterminous boundaries.

The *ad valorem* assessments levied by the District in Improvement District Nos. 112 and 212 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2010 Bonds will be levied on land only. See Table 1 above for a description of the authorized, issued, authorized and unissued and amount outstanding of Improvement District Nos. 112 and 212 *ad valorem* assessment bonds.

The following table presents the assessed valuations of land in Improvement District Nos. 112 and 212 for the current and previous four fiscal years.

TABLE 45
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Assessed Valuations (Land Only)

<i>Fiscal Year</i>	<i>Local Secured</i>	<i>Utility</i>	<i>Unsecured</i>	<i>Total</i>
2020	\$3,228,825,716	\$ 352,182	\$ 1,627,261	\$3,230,805,159
2021	3,703,115,907	352,182	3,089,211	3,706,557,300
2022	3,837,833,796	352,182	36,686,260	3,874,872,238
2023	4,463,059,946	670,822	88,340,627	4,552,071,395
2024	4,929,290,583	670,822	0	4,929,961,405

Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District Nos. 112 and 212 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2024:

TABLE 46
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Assessed Valuation and Parcels by Land Use

	<i>Fiscal Year 2024</i> <i>Assessed Valuation⁽¹⁾</i>	<i>% of Total</i>	<i>No of Parcels</i>	<i>% of Total</i>
<u>Non-Residential:</u>				
Commercial	\$ 221,044,473	4.48%	95	1.50%
Miscellaneous	<u>19,151,740</u>	<u>0.39</u>	<u>22</u>	<u>0.35</u>
Subtotal Non-Residential	<u>\$ 240,196,213</u>	4.87%	<u>117</u>	1.85%
<u>Residential:</u>				
Single Family Residential	\$ 4,541,462,884	92.13%	6,103	96.43%
Vacant Residential	<u>147,631,486</u>	<u>2.99</u>	<u>109</u>	<u>1.72</u>
Subtotal Residential	<u>\$ 4,689,094,370</u>	95.13%	<u>6,212</u>	98.15%
Total	<u>\$ 4,929,290,583</u>	100.00%	<u>6,329</u>	100.00%

⁽¹⁾ Land Only Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Principal Taxpayer. The following table identifies the major taxpayer in Improvement District Nos. 112 and 212 based on land-only local secured assessed valuations for the Fiscal Year ending June 30, 2024:

TABLE 47
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Largest Local Secured Taxpayer

	<i>Property Owner</i>	<i>Primary Land Use</i>	<i>2023-24</i> <i>Assessed Valuation</i>	<i>% of</i> <i>Total⁽¹⁾</i>
1.	Heritage Fields El Toro LLC	Commercial/Residential	\$220,454,163	4.47%
2.	Lennar Homes of California Inc.	Residential Development	151,130,768	3.07
3.	AG Essential Housing CA 2	Residential Development	65,454,670	1.33
4.	Solis Village - Irvine LP	Residential Development	50,367,523	1.02
5.	Pulte Home Company LLC	Residential Development	49,983,391	1.01
6.	Taylor Morrison of California LLC	Residential Development	30,822,958	0.63
7.	TH Solis Park LLC	Residential Development	15,902,307	0.32
8.	Tri Pointe Homes Holdings	Residential Development	8,603,960	0.17
9.	Wild Rivers Waterpark Irvine SPE LLC	Recreational	7,036,801	0.14
10.	Lynx Family Housing Partners LP	Residential Properties	<u>6,652,681</u>	<u>0.13</u>
			<u>\$606,409,222</u>	<u>12.30%</u>

⁽¹⁾ 2023-14 Local Secured Assessed Valuation: \$4,929,290,583.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in Table 40 is a direct and overlapping debt report (the “**Debt Report–I.D. 112/212**”) for Improvement District Nos. 112 and 212 prepared by California Municipal

Statistics, Inc. and effective December 31, 2024. The Debt Report–I.D. 112/212 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such report and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 112/212 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District Nos. 112 and No. 212 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District Nos. 112 and No. 212 (except as indicated) nor are they necessarily obligations secured by land within District Nos. 112 and No. 212. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 48
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Direct and Overlapping Debt Statement

2023-24 Land Only Assessed Valuation: \$4,929,961,405

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 12/31/23</u>	
Metropolitan Water District	0.218%	\$ 41,889	
Saddleback Valley Unified School District	0.454	393,686	
Irvine Ranch Water District, I.D. No. 112	100.	6,917,106	(2)
Irvine Ranch Water District, I.D. No. 212	100.	22,655,463	(2)
City of Irvine Community Facilities District No. 2013-3, I.A. No. 1	100.	71,435,000	
City of Irvine Community Facilities District No. 2013-3, I.A. No. 4	100.	130,020,000	
City of Irvine Community Facilities District No. 2013-3, I.A. No. 6	100.	169,996,780	
City of Irvine Community Facilities District No. 2013-3, I.A. No. 7	100.	220,000,000	
City of Irvine Community Facilities District No. 2013-3, I.A. No. 8	100.	71,595,000	
City of Irvine Community Facilities District No. 2013-3, I.A. No. 9	100.	56,709,892	
City of Irvine Community Facilities District No. 2013-3, I.A. No. 10	100.	<u>102,690,000</u>	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$852,454,816	
 <u>OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	1.097%	\$ 4,949,280	
Orange County Board of Education Certificates of Participation	1.097	119,134	
City of Irvine General Fund Obligations	7.853	<u>25,622,768</u>	
TOTAL OVERLAPPING GENERAL FUND DEBT		\$30,691,182	
 COMBINED TOTAL DEBT		 \$883,145,998	 (3)

- (1) Based on all property assessed valuation of \$8,446,592,086.
- (2) Excludes issues to be sold.
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2023-24 Land Only Assessed Valuation:
Direct Debt (\$29,572,569).....0.60%
 Total Direct and Overlapping Tax and Assessment Debt17.29%

Ratios to 2023-24 All Property Assessed Valuation:
 Combined Total Debt.....10.46%

Improvement District No. 188

General. Improvement District No. 188 (water) is located in the northeastern portion of the District. Improvement District No. 188 is comprised of approximately 216 acres. Improvement District No. 188 is nearly fully developed. At build-out, the development within Improvement District No. 188 is anticipated to consist of approximately 1,130 residential units and 38 acres of commercial, public facilities and parks.

Set forth below is information with respect to Improvement District No. 188. Certain information with respect to these Improvement Districts has been consolidated, where appropriate in light of their coterminous boundaries.

The *ad valorem* assessments levied by the District in Improvement District No. 188 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2010 Bonds will be levied on land only. See Table 1 above for a description of the authorized, issued, authorized and unissued and amount outstanding of Improvement District No. 188 ad valorem assessment bonds.

The table below presents the five-year history of assessed valuations of land in Improvement District No. 188 for the current and previous four Fiscal Years:

TABLE 49
IRVINE RANCH WATER DISTRICT
Improvement District No. 188
Assessed Valuations (Land Only)

<i>Fiscal Year</i>	<i>Local Secured</i>	<i>Utility</i>	<i>Unsecured⁽¹⁾</i>	<i>Total</i>
2020	\$246,753,329	\$0	\$0	\$246,753,329
2021	255,088,204	0	0	255,088,204
2022	284,644,152	0	0	284,644,152
2023	329,117,953	0	0	329,117,953
2024	388,854,365	0	0	388,854,365

⁽¹⁾ Assessed value of unsecured land only.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District No. 188 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2024:

TABLE 50
IRVINE RANCH WATER DISTRICT
Improvement District No. 188
Assessed Valuation and Parcels by Land Use

	<i>Fiscal Year 2024</i> <i>Assessed Valuation⁽¹⁾</i>	<i>% of</i> <i>Total</i>	<i>No. of</i> <i>Parcels</i>	<i>% of</i> <i>Total</i>
Single Family Residential	\$378,254,619	97.27%	736	74.72%
Multi-Family Residential	4,590,000	1.18	1	0.10
Vacant Residential	6,009,746	1.55	248	25.18
Total	\$388,854,365	100.00%	985	100.00%

⁽¹⁾ Land Only Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Principal Taxpayer. The following table identifies the major taxpayer in Improvement District No. 188 based on land-only local secured assessed valuations for the Fiscal Year ending June 30, 2024:

**TABLE 51
IRVINE RANCH WATER DISTRICT
Improvement District No. 188
Largest Local Secured Taxpayers**

	<i>Property Owner</i>	<i>Primary Land Use</i>	<i>2023-24 Assessed Valuation</i>	<i>% of Total⁽¹⁾</i>
1.	Portola Senior Housing Associates LP	Apartments	\$ 4,590,000	1.18%
2.	USA Portola East LLC	Residential Development	3,472,451	0.89
3.	USA Portola West LLC	Residential Development	3,256,298	0.84
4.	BBY Investment LLC	Residential	1,951,677	0.50
5.	Richard Cortez	Residential	1,747,559	0.45
6.	Paymon Mesgarzadeh	Residential	1,519,192	0.39
7.	Adam & Artemis Tuliper	Residential	1,434,584	0.37
8.	Manikandan Nair	Residential	1,433,728	0.37
9.	Yi Min	Residential	1,409,719	0.36
10.	Layne Bruce Fischer	Residential	<u>1,364,585</u>	<u>0.35</u>
			<u>\$ 22,179,793</u>	<u>5.70%</u>

⁽¹⁾ 2023-24 Local Secured Assessed Valuation (land only): \$388,854,365.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the “**Debt Report–I.D. 188**”) for Improvement District No. 188 prepared by California Municipal Statistics, Inc. and effective December 31, 2024. The Debt Report–I.D. 188 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 188 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 188 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 188 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 188. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 52
IRVINE RANCH WATER DISTRICT
Improvement District No. 188
Direct and Overlapping Debt Statement

2023-24 Land Only Assessed Valuation: \$388,854,365

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable (1)</u>	<u>Debt 12/31/23</u>	
Metropolitan Water District	0.023%	\$ 4,419	
Saddleback Valley Unified School District	1.683	1,459,413	
Irvine Ranch Water District, I.D. No. 188	100.	1,554,094	(2)
Irvine Ranch Water District, I.D. No. 288	100.	<u>316,988</u>	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$3,334,914	
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	0.117%	\$527,863	
Orange County Board of Education Certificates of Participation	0.117	<u>12,706</u>	
TOTAL OVERLAPPING GENERAL FUND DEBT		\$540,569	
COMBINED TOTAL DEBT		\$3,875,483	(3)

(1) Based on all property assessed valuation of \$901,870,672.

(2) Excludes issues to be sold.

(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2023-24 Land Only Assessed Valuation:

Direct Debt (\$1,871,082).....0.48%
Total Direct and Overlapping Tax and Assessment Debt0.86%

Ratios to 2023-24 All Property Assessed Valuation:

Combined Total Debt.....0.43%

CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES

Proposition 218

General. An initiative measure entitled the “Right to Vote on Taxes Act” (the “**Initiative**”) was approved by the voters of the State of California at the November 5, 1996 general election. The Initiative added Article XIII C and Article XIII D to the California Constitution. According to the “Title and Summary” of the Initiative prepared by the California Attorney General, the Initiative limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.”

Article XIII D. Article XIII D defines the terms “fee” and “charge” to mean “any levy other than an *ad valorem* tax, a special tax or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service.” A “property-related service” is defined as “a public service having a direct relationship to property ownership.” Article XIII D further provides that reliance by an agency on any parcel map (including an assessor’s parcel map) may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership.

Article XIII D requires that any agency imposing or increasing any property-related fee or charge must provide written notice thereof to the record owner of each identified parcel upon which such fee or charge is to be imposed and must conduct a public hearing with respect thereto. The proposed fee or charge may not be imposed or increased if a majority of owners of the identified parcels file written protests against it.

In July 2006, the California Supreme Court held, in *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal. 4th 205 (2006) (“**Bighorn**”), that the initiative power described in Article XIII C applies to any local

taxes, assessments, fees and charges as defined in Articles XIIC and XIID. Article XIID defines “fee” or “charge” to mean a levy (other than *ad valorem* or special taxes or assessments) imposed by a local government “upon a parcel or upon a person as an incident of property ownership,” including a user fee for a “property related service.” The Court also found that charges for water delivery are charges for a property-related service and, therefore, constitute “fees” or “charges” within the meaning of both Article XIID and section 3 of Article XIIC. In accordance with Article XIID and the decision in *Bighorn*, the District has conducted notice and hearing proceedings to comply with requirements of Article XIID with respect to proposed increases of rates and charges since Fiscal Year 2007. See the captions “THE WATER SYSTEM—Water System Rates and Charges” and “THE SEWER SYSTEM—Sewer System Rates and Charges.”

On April 20, 2015, the California Court of Appeal, Fourth District, issued an opinion in *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano*, 235 Cal. App. 4th 1493 (2015) (“*SJC*”) upholding tiered water rates under Proposition 218 provided that the rates correspond to the actual cost of furnishing service at a given level of usage. The opinion included a finding that the City of San Juan Capistrano did not attempt to calculate the actual costs of providing water at various tier levels. The District’s tiered water rates are described under the caption “THE WATER SYSTEM—Water System Rates and Charges.” The District does not currently expect the *SJC* ruling to affect its water rate structure or have a material adverse effect on its financial condition.

Article XIIC. Article XIIC provides that the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge and that the power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments. Article XIIC does not define the terms “local tax,” “assessment,” “fee” or “charge.” In light of *Bighorn* and as discussed above under the caption “—Article XIID,” the terms “fee” and “charge” as used in Article XIIC include, at a minimum, all of the fees and charges within the “property related” qualification set forth in Article XIID. Moreover, the provisions of Article XIIC are not expressly limited to local taxes, assessments, fees and charges imposed after November 6, 1996. Therefore, in the absence of other limitations, provisions of Article XIIC could be applicable to the water and sewer rates charged by the District.

On August 3, 2020, the State Supreme Court issued an opinion in *Wilde v. City of Dunsmuir* (2020) 9 Cal. 5th 1105) holding that the taxation exemption from the State Constitution’s referendum process applies to measures setting water rates, and that the Initiative does not subject water rates to challenge by referendum. The District and its general counsel do not believe that current applicable case law interpreting Article XIIC grants to the voters within the District the power to repeal or reduce rates and charges in a manner which would be inconsistent with the contractual obligations of the District. However, there can be no assurance of the availability of particular remedies adequate to protect the beneficial owners of the Series 2024 Bonds. Remedies available to beneficial owners of the Series 2024 Bonds in the event of a default by the District are dependent upon judicial actions which are often subject to discretion and delay and could prove both expensive and time-consuming to obtain.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIC of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation

of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The District does not believe that the enactment of Proposition 26 has affected its ability to levy rates and charges for water, recycled water or sewer service.

Article XIII A

General. On June 6, 1978, California voters approved Proposition 13, which added Article XIII A to the California Constitution ("**Article XIII A**"). Article XIII A limits the amount of any *ad valorem* tax on real property to one percent of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and (as a result of an amendment to Article XIII A approved by California voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property that has been approved on or after July 1, 1978 by the voters voting on such indebtedness. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975/76 tax bill under 'full cash value' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by each California county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon the location of reappraised property and the value of property within each taxing agency. Any such allocation made to a local agency continues as part of its allocation in future years.

Article XIII B

An initiative to amend the California Constitution entitled "Limitation of Government Appropriations" was approved on November 6, 1979 thereby adding Article XIII B to the California Constitution ("**Article XIII B**"). Under Article XIII B state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain moneys that are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the "appropriations limit." Article XIII B does not affect the appropriations of moneys that are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the "appropriations limit" is to be based on certain 1978-79 expenditures and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

The District is of the opinion that its rates and charges for water, sewer and recycled water services do not exceed the costs it reasonably bears in providing such services and therefore are not subject to the limits of Article XIII B, and that tax revenues and other revenues received by the District which may constitute the “proceeds of taxes” are appropriated for debt service or qualified capital outlay projects and are not subject to

Future Initiatives

General. Article XIII A, Article XIII B, Proposition 218 and Proposition 26 were each adopted as measures that qualified for the ballot pursuant to California’s initiative process. From time to time other initiative measures (including the measure that is described below under the subcaption “—Initiative 1935”) could be adopted, further affecting ability of the District to collect or expend Revenues.

Initiative 1935. On February 1, 2023, the California Secretary of State announced that a ballot initiative, designated as Initiative 1935 and referred to by its proponents as the “Taxpayer Protection and Government Accountability Act,” had received the required number of signatures to appear on the November 5, 2024 ballot.

If approved by the voters casting a ballot at the November 5, 2024 statewide election, Initiative 1935 would make numerous significant changes to Articles XIII, XIII A, XIII C and XIII D of the California Constitution to further limit the authority of local governments, and electors via the initiative process, to adopt and impose taxes and fees. The full text of Initiative 1935 may be viewed at the website of the California Attorney General.

Among other things:

- Initiative 1935 would amend Article XIII C to state that every levy, charge or exaction of any kind imposed by local law is either a “tax” or an “exempt charge,” and would amend the definition of “tax” added to Article XIII C by Proposition 26 to state that “every levy, charge, or exaction of any kind imposed by a local law that is not an “exempt charge” constitutes a tax. Initiative 1935 narrows the definition of “exempt charge” to mean a “reasonable charge for a specific local government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the *actual costs* [as opposed to the reasonable costs] to the local government of providing the service or product to the payor.” “Exempt charges” also encompass existing exceptions from the definition of “tax” added to Article XIII C by Proposition 26. “Actual costs” is defined in Initiative 1935 to mean “the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor ... where the amount charged is not used by the government for any purpose other than reimbursing that cost. In computing “actual cost” the maximum amount that may be imposed is the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product.” Initiative 1935 would retain an exemption from the definition of “tax” for assessments, fees or charges which are subject to Article XIII D.

- Initiative 1935 would amend Article XIII C to state that only the governing body of a local government, or an elector acting pursuant to the initiative power, has the authority to impose an exempt charge, and that exempt charges must be imposed by an ordinance specifying the type of exempt charge and the amount or rate of the exempt charge to be imposed, and passed by the governing body, other than for certain exempt charges imposed for a specific health care service. In addition, Initiative 1935 would amend Article XIII C to prohibit any amendment to a municipal charter which provides for the imposition, extension or increase of a tax or exempt charge from being submitted to or approved by the electors.

- Initiative 1935 would amend Article XIII C to require the title, summary and ballot label or questions for a measure providing for the imposition of a tax to include: (a) the type and amount or rate of the tax; (b) the duration of the tax; and (c) the use of the revenue derived from the tax; and (d) if the proposed tax is a general tax, the phrase “for general government use.” In addition, no advisory measure may appear on the

same ballot that would indicate that the revenue from the general tax will, could or should be used for specific purposes.

- Initiative 1935 would amend Article XIII C to require that any special tax, whether proposed by the governing body or by an elector, be approved by a two-thirds vote of the electorate.

- Initiative 1935 would amend Article XIII C to state that the local government bears the burden of proving by *clear and convincing evidence* (as opposed to a preponderance of the evidence) that: (a) a levy, charge or exaction is an exempt charge and not a tax; and (b) the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor.

- Initiative 1935 would amend Article XIII C to state that any tax or exempt charge adopted after January 1, 2022, but prior to the effective date of Initiative 1935, which was not adopted in compliance with the requirements thereof is void 12 months after the effective date of Initiative 1935, if adopted, unless the tax or exempt charge is reenacted in compliance with the provisions of Initiative 1935.

The District cannot predict whether Initiative 1935 will be approved by a majority of voters casting a ballot at the November 5, 2024 statewide election. If Initiative 1935 is approved, the District cannot provide any assurances as to the effect of the implementation or judicial interpretations of Initiative 1935 on the finances of the State or the District.

In September 2023, California Governor Gavin Newsom filed an Emergency Petition For Writ Of Mandate with the California Supreme Court arguing that Initiative 1935 is an unlawful attempt to revise the California Constitution and would impede the government's ability to provide the essential functions of government. The Writ seeks the removal of Initiative 1935 from the November 2024 statewide general election. There can be no assurance as to the timing of any California Supreme Court decision with respect to the Writ.

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “**Disclosure Certificate**”) is entered into by the Irvine Ranch Water District (the “**District**”) in connection with the issuance of the Bonds of Irvine Ranch Water District, Refunding Series 2024A (the “**Bonds**”). The Bonds are being issued pursuant to an Indenture, dated as of June 1, 2024 (the “**Indenture**”), by and among The Bank of New York Mellon Trust Company, N.A., as trustee, and the District. The District covenants and agrees as follows:

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

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

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

Beneficial Owner. The term “Beneficial Owner” means any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2024A Bonds (including persons holding Series 2024A Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Series 2024A Bonds for federal income tax purposes.

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

Financial Obligation. The term “Financial Obligation” means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Fiscal Year. The term “Fiscal Year” means the one-year period ending on the last day of June of each year. In the event of a change in the District’s Fiscal Year, the District shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

Holder. The term “Holder” means a registered owner of the Series 2024A Bonds.

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

Official Statement. The term “Official Statement” means the Official Statement dated _____, 2024 relating to the Series 2024A Bonds.

Participating Underwriter. The term “Participating Underwriter” means any of the original underwriters of the Series 2024A Bonds required to comply with the Rule in connection with offering of the Series 2024A Bonds.

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

3. Provision of Annual Reports.

(a) The District shall provide not later than each April 1 following the end of its Fiscal Year (commencing April 1, 2025 for the Fiscal Year ending June 30, 2024) to EMMA an Annual Report relating to the immediately preceding Fiscal Year that is consistent with the requirements of Section 4 of this Disclosure Certificate, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

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

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

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

(b) To the extent not included in the audited financial statements provided pursuant to the foregoing Section 4(a), the Annual Report shall contain an update of the information in the following tables and/or captions in Appendix A to the Official Statement, substantially in the form set forth in the Official Statement:

1. Information under the caption “THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness;”

2. The table “IRVINE RANCH WATER DISTRICT Historic Water Supply In Acre Feet Per Year” under the caption “WATER SUPPLY—Historic and Projected Water Supply;”

3. Information under the caption “THE WATER SYSTEM—Historic Water Connections;”

4. Information under the caption “THE WATER SYSTEM—Historic Water Deliveries/Sales;”

5. Information under the caption “THE WATER SYSTEM—Water System Rates and Charges;”

6. Information under the caption “THE SEWER SYSTEM—Historic Sewer and Recycled Water Connections;”

7. Information under the caption “THE SEWER SYSTEM—Sewer System Rates and Charges;”

8. Information under the caption “WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Historic Operating Results and Debt Service Coverage;” and

9. An update of the following tables for each Improvement District:

(i) Assessed Valuations (Land Only); provided that only the total assessed values shall be updated;

(ii) Assessed Valuation and Parcels by Land Use; and

(iii) Largest Local Secured Taxpayers.

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2024A Bonds in a timely manner not more than ten (10) Business Days after the event:

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

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer

for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person; and

10. default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2024A Bonds, if material:

1. unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2024A Bonds or other events affecting the tax status of the Series 2024A Bonds;

2. modifications to the rights of Series 2024A Bond holders;

3. optional, unscheduled or contingent Series 2024A Bond calls;

4. release, substitution or sale of property securing repayment of the Series 2024A Bonds;

5. non-payment related defaults;

6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. appointment of a successor or additional trustee or the change of the name of a trustee; and

8. incurrence of a Financial Obligation of the District or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders.

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

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

7. Termination of Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2024A Bonds. If such termination occurs prior to the final maturity of the Series 2024A Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

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

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

10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Holders or Beneficial Owners of the Series 2024A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

No Holder or Beneficial Owner of the Series 2024A Bonds may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the District satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the District shall have refused to comply therewith within a reasonable time.

11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Series 2024A Bonds, and shall create no rights in any other person or entity.

Dated: _____, 2024

IRVINE RANCH WATER DISTRICT

By: _____
Its: Treasurer

May 13, 2024
 Prepared by: I. Swift
 Submitted by: W. Chambers
 Approved by: Paul A. Cook 

ACTION CALENDAR

**SAN JOAQUIN MARSH AND NATURAL TREATMENT SYSTEM FACILITIES
 ONE-YEAR LANDSCAPE MAINTENANCE SERVICES CONTRACT EXTENSION**

SUMMARY:

Landscape maintenance, including vegetation control, trash removal, and clearing of small debris and sediment, is essential for the operation and maintenance of IRWD’s San Joaquin Marsh, the San Joaquin Marsh Campus, Peters Canyon Water Capture and Reuse Pipeline (Peters Canyon), and the 44 Natural Treatment System (NTS) facilities encompassing approximately 532 acres. The current three-year landscape maintenance services contract expires in May 2024 and allows for two one-year extensions with District approval. Staff recommends that the Board authorize the General Manager to execute a one-year extension of the current contract for landscape maintenance services with LandCare and Endemic Environmental for \$1,831,855.

BACKGROUND:

Regular landscape maintenance is essential for the effective operation and preservation of the San Joaquin Marsh and NTS facilities, in accordance with the San Joaquin Marsh Operating Guidelines and NTS Master Plan. This maintenance includes vegetation management (native and non-native), irrigation system upkeep and repairs, trash removal, and clearing of minor sediment and debris accumulations. The current landscape maintenance services contract expires in May 2024. While this contract allows for two one-year extensions at the District's discretion, staff recommends exercising only one extension for one year. This recommendation is based on the contractor's satisfactory performance as well as their competitive pricing for the extension period.

The current landscape maintenance services contract for the third-year totals \$1,675,570. The proposed one-year extension for the same services amounts to \$1,831,855, representing an 8.5% increase. The increase is acceptable and primarily attributable to higher labor costs, supplies, and fuel expenses. The total comprises five separate contracts:

Facility	Third-Year Cost	One-Year Extension Cost
NTS North	\$400,181	\$437,504
NTS South	\$548,056	\$599,147
Peters Canyon	\$16,356	\$17,868
San Joaquin Marsh Yard	\$593,191	\$648,528
San Joaquin Marsh Campus	\$117,813	\$128,805
<i>Total:</i>	\$1,675,570	\$1,831,855

The proposal is attached as Exhibit “A”.

FISCAL IMPACTS:

Sufficient funds are available in the Fiscal Year 2024-25 Operating Budget.

ENVIRONMENTAL COMPLIANCE:

The landscape maintenance activities performed under this contract will be in accordance with provisions of the San Joaquin Marsh Enhancement Plan Environmental Impact Report (EIR) and the NTS Master Plan EIR.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A ONE-YEAR EXTENSION OF THE CURRENT CONTRACT FOR LANDSCAPE MAINTENANCE SERVICES WITH LANDCARE AND ENDEMIC ENVIRONMENTAL FOR \$1,831,855.

LIST OF EXHIBITS:

Exhibit "A" – Landcare One-Year Extension Proposal for Landscape Maintenance Services



Proposed 2-year Extension
IRWD NTS, SJM, & Peters Canyon

LandCare proposes to extend all existing contracts between Irvine Ranch Water District and LandCare and to provide landscape and irrigation system maintenance and repair throughout IRWD's service area while conforming to specifications in the IRWD Landscape Maintenance Specifications dated 2021.

Pricing Schedule (private and confidential):

	YEAR 4	YEAR 5 (3%)
NTS North	\$ 437,504.12	\$ 450,629.25
NTS South	\$ 503,009.04	\$ 518,099.31
San Joaquin Marsh	\$ 648,528.89	\$ 667,984.75
SJM Marsh Campus	\$ 128,805.79	\$ 132,669.96
Peters Canyon	\$ 17,868.56	\$ 18,404.61
Lower Agua Chinon A (NTS South)	\$ 27,524.40	\$ 28,350.13
Lower Agua Chinon B (NTS South)	\$ 33,283.79	\$ 34,282.31
Lower Agua Chinon C (NTS South)	\$ 35,330.41	\$ 36,390.33
	\$ 1,831,855.00	\$ 1,886,810.65

NTS Renewal by Site

	Year 4	Year 5
NTS North	\$ 437,504.12	\$ 450,629.24
Cypress Meadow A	\$ 36,815.94	\$ 37,920.42
Cypress Meadow B	\$ 12,646.75	\$ 13,026.16
Cypress Meadow C	\$ 16,019.17	\$ 16,499.74
Cypress Meadow D	\$ 19,532.09	\$ 20,118.05
Eastfoot Retarding Basin	\$ 60,985.14	\$ 62,814.69
Eastwood	\$ 11,578.72	\$ 11,926.08
El Moderna	\$ 9,836.36	\$ 10,131.45
Forge	\$ 14,543.65	\$ 14,979.96
Lower Eastfoot	\$ 13,068.27	\$ 13,460.32
Middle Eastfoot	\$ 19,391.58	\$ 19,973.33
Orchard Meadow	\$ 14,051.82	\$ 14,473.37
Orchard Retarding Basin	\$ 10,862.15	\$ 11,188.02
Port Culver	\$ 10,679.40	\$ 10,999.78
Quail Springs	\$ 66,465.41	\$ 68,459.37
Trabuco	\$ 110,588.21	\$ 113,905.86
Twisted Oak	\$ 2,148.79	\$ 2,213.25
Upper Eastfoot	\$ 8,290.66	\$ 8,539.38

NTS South	\$	503,009.04	\$	518,099.31
Agua Chinon A	\$	17,142.42	\$	17,656.70
Agua Chinon B	\$	18,787.67	\$	19,351.30
Aquila Springs	\$	9,719.05	\$	10,010.62
Floral View	\$	2,485.28	\$	2,559.84
Hidden Canyon	\$	23,379.40	\$	24,080.78
Illuna Springs	\$	22,327.16	\$	22,996.97
Laguna Altura North	\$	7,595.51	\$	7,823.37
Laguna Altura South	\$	5,372.11	\$	5,533.27
Los Olivos Meadow	\$	26,555.31	\$	27,351.97
Los Olivos South	\$	21,772.39	\$	22,425.56
Los Troncos	\$	4,684.11	\$	4,824.63
Marine Meadows	\$	14,138.65	\$	14,562.80
Marshburn	\$	116,973.73	\$	120,482.95
Muddy Canyon	\$	4,684.11	\$	4,824.63
Old Laguna	\$	23,436.82	\$	24,139.93
Parasol Park	\$	21,963.71	\$	22,622.62
Portola Springs	\$	7,385.01	\$	7,606.56
Quail Meadow	\$	11,708.82	\$	12,060.08
Ridge Valley A	\$	53,703.88	\$	55,315.00
Ridge Valley B	\$	13,775.06	\$	14,188.32
Ridge Valley C	\$	38,972.10	\$	40,141.27
Sand Canyon	\$	3,769.04	\$	3,882.12
Sports Park	\$	16,262.31	\$	16,750.18
Turtle Ridge	\$	16,415.39	\$	16,907.85